

EXHIBIT 4  
OPERATING COSTS  
EB-2017-0073

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1 **Exhibit 4: Operating Costs**

2 **4.1 Overview**

3 Operations, Maintenance and Administrative (“OM&A”) costs in this application represent Sioux  
 4 Lookout Hydro’s (SLHI) integrated set of asset maintenance and customer activity needs to meet  
 5 public and employee safety objectives, to comply with the Distribution System Code (“DSC”),  
 6 environmental requirements and Government direction, and to maintain distribution business  
 7 service quality and reliability at targeted performance levels. These costs represent the reasonably  
 8 incurred cost to provide services to customers connected to SLHI’s distribution system, and to meet  
 9 the service levels stipulated in the Standard Supply Service Code and the Retailer Settlement Codes.

10 OM&A expenses included in the calculation of a utility’s revenue requirement are those determined  
 11 to be reasonable in amount and necessary for and related to the provision of utility service or in  
 12 some way benefit customers. OM&A expenses consist of; the required expenditures necessary to  
 13 maintain and operate SLHI’s distribution system assets; the costs associated with metering, billing,  
 14 collecting from its customers; the costs associated with ensuring the safety of all stakeholders; and  
 15 the costs to maintain the distribution business service quality and reliability.

16 SLHI is proposing recovery of 2018 Test Year OM&A costs, excluding amortization, property taxes,  
 17 LEAP funding, PILs and interest totalling \$1,572,092. The amount including property taxes and  
 18 LEAP funding is \$1,580,086.

19 As shown in Table 4-1 below, SLHI’s OM&A increased \$158,840 from its 2013 Board Approved Cost  
 20 of Service (“COS”) to the 2018 Test Year, and \$159,505 from 2013 Actual costs.

21 **Table 4-1: Summary of OM&A Expenses – 2013 Board Approved to 2018 Test Year**

	Last Rebasing Year (2013 Board- Approved)	Last Rebasing Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Actuals	2017 Bridge Year	2018 Test Year
Operations	\$ 543,617	\$ 535,159	\$ 581,576	\$ 526,730	\$ 574,153	\$ 540,346	\$ 514,586
Maintenance	\$ 201,605	\$ 215,047	\$ 190,949	\$ 159,501	\$ 194,875	\$ 236,866	\$ 226,447
Billing and Collecting	\$ 316,965	\$ 296,239	\$ 310,022	\$ 329,917	\$ 351,771	\$ 350,791	\$ 355,718
Community Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and General	\$ 359,059	\$ 374,136	\$ 357,354	\$ 404,099	\$ 410,646	\$ 499,606	\$ 483,335
<b>Total</b>	<b>\$ 1,421,246</b>	<b>\$ 1,420,581</b>	<b>\$ 1,439,901</b>	<b>\$ 1,420,247</b>	<b>\$ 1,531,445</b>	<b>\$ 1,627,609</b>	<b>\$ 1,580,086</b>
%Change (year over year)			1.3%	0.0%	7.8%	6.3%	-2.9%

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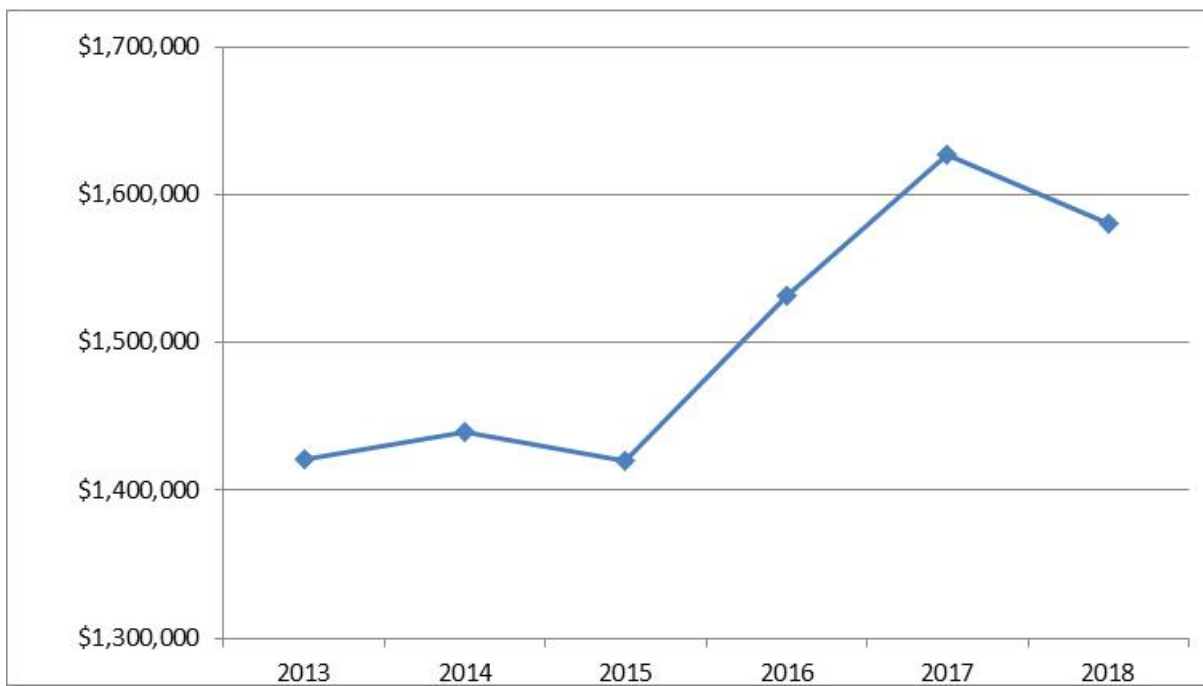
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1 As determined appropriate by the OEB as published in its letter dated October 27 2016, SLHI  
2 assumed an inflation rate of 1.9% where expense increases were unknown or unpredicted.

3 SLHI will utilize the materiality level of \$50,000 to determine variances in OM&A accounts  
4 requiring analysis as prescribed by the Filing Requirements.

5 Chart 4-2 illustrates the overall trends from the 2013 Board Approved through to the 2018 Test  
6 year.

7 **Chart 4-2: OM&A Trend 2013 Board Approved through to 2018 Test Year**



8  
9 As shown in Table 4-2 below, SLHI's increase in OM&A spending from its 2013 COS to the 2018 Test  
10 Year amounts to \$158,840 or 11% over the last 6 years or a compound growth rate of 1.8% per  
11 year.

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1 **Table 4-2: 2013 Board Approved vs. 2018 Test Year**

Description	2013 Board Approved	2018 Test Year	Variance from Board Approved
Operations	\$543,617	\$514,586	-\$29,031
Maintenance	\$201,605	\$226,447	\$24,842
Billing & Collecting	\$316,965	\$355,718	\$38,753
Community Relations	-	-	-
Administrative & General Expenses	\$359,059	\$483,335	\$124,276
Total OM & A Expense	\$1,421,246	\$1,580,086	\$158,840
Percentage change (year over year)		11%	

2  
 3 A Summary of the main drivers for the year over year variances are as follows:

- 4 • Increase in wages and salaries as per the collective agreement and progression of
- 5 apprentice linemen in 2016.
- 6 • Increase in wages and salaries in 2017 due to new hire and retirements.
- 7 • Increase in consulting fees for 2016 and 2017 due to Distribution System Plan and Cost of
- 8 Service.
- 9 • Decrease in Operations wages in 2018 due to retirements and elimination of one position
- 10 through attrition.
- 11 • Increase in Maintenance in 2018 due to implementation of U/G Cable testing.
- 12 • Increase in Billing and Collecting due to increases in Billing System charges and increased
- 13 Merchant fee charges for credit and debit cards.
- 14 • Billing System changes due to OESP implementation.
- 15 • Increase in forecasted on-going consulting fees due to public policy direction and regulatory
- 16 requirements (i.e. Cyber Security).

17 Business Environment Changes

18 Business environment changes since the last 2013 rebasing year include introduction of Ontario  
 19 One Call; Web presentment and e-billing; Transition to IFRS; Requirement for Customer  
 20 Satisfaction Survey and Public Safety Survey every 2 years; OCEB and OESP government programs

1 for customers; increased Cyber Security requirement(expected in 2017) and most recently the  
2 Ontario Fair Hydro Plan.

### 3 **4.2 Summary of Cost Driver Tables**

4 SLHI follows the Board's Accounting Procedures Handbook ("APH") in distinguishing work  
5 performed between operations and maintenance. A Summary of SLHI's recoverable OM&A  
6 expenses (5005-5695, 6110, 6205) including payments in lieu of taxes and LEAP for the 2013  
7 Approved, 2013 Actual, 2014 Actual, 2015 Actual, 2016 Actual, 2017 Bridge, and 2018 Test Year is  
8 provided in Table 4-3 which is copied from the OEB Appendix J-A. SLHI is proposing to receive the  
9 2018 Test Year costs through distribution rates effective for May 1<sup>st</sup> of the 2018 Test Year.

1 **Table 4-3: OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses**

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

	Last Rebasings Year (2013 Board- Approved)	Last Rebasings Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Actuals	2017 Bridge Year	2018 Test Year
<b>Reporting Basis</b>	<b>CGAAP</b>	<b>CGAAP</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>	<b>MIFRS</b>
Operations	\$ 543,617	\$ 535,159	\$ 581,576	\$ 526,730	\$ 574,153	\$ 540,346	\$ 514,586
Maintenance	\$ 201,605	\$ 215,047	\$ 190,949	\$ 159,501	\$ 194,875	\$ 236,866	\$ 226,447
<b>SubTotal</b>	<b>\$ 745,222</b>	<b>\$ 750,206</b>	<b>\$ 772,525</b>	<b>\$ 686,231</b>	<b>\$ 769,028</b>	<b>\$ 777,212</b>	<b>\$ 741,033</b>
%Change (year over year)			3.7%	-8.5%	12.1%	1.1%	-4.7%
%Change (Test Year vs Last Rebasings Year - Actual)							-1.2%
Billing and Collecting	\$ 316,965	\$ 296,239	\$ 310,022	\$ 329,917	\$ 351,771	\$ 350,791	\$ 355,718
Community Relations							
Administrative and General	\$ 359,059	\$ 374,136	\$ 357,354	\$ 404,099	\$ 410,646	\$ 499,606	\$ 483,335
<b>SubTotal</b>	<b>\$ 676,024</b>	<b>\$ 670,375</b>	<b>\$ 667,376</b>	<b>\$ 734,016</b>	<b>\$ 762,417</b>	<b>\$ 850,397</b>	<b>\$ 839,053</b>
%Change (year over year)			-1.3%	9.5%	3.9%	11.5%	-1.3%
%Change (Test Year vs Last Rebasings Year - Actual)							25.2%
<b>Total</b>	<b>\$ 1,421,246</b>	<b>\$ 1,420,581</b>	<b>\$ 1,439,901</b>	<b>\$ 1,420,247</b>	<b>\$ 1,531,445</b>	<b>\$ 1,627,609</b>	<b>\$ 1,580,086</b>
%Change (year over year)			1.3%	0.0%	7.8%	6.3%	-2.9%

	Last Rebasings Year (2013 Board- Approved)	Last Rebasings Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Actuals	2017 Bridge Year	2018 Test Year
Operations	\$ 543,617	\$ 535,159	\$ 581,576	\$ 526,730	\$ 574,153	\$ 540,346	\$ 514,586
Maintenance	\$ 201,605	\$ 215,047	\$ 190,949	\$ 159,501	\$ 194,875	\$ 236,866	\$ 226,447
Billing and Collecting	\$ 316,965	\$ 296,239	\$ 310,022	\$ 329,917	\$ 351,771	\$ 350,791	\$ 355,718
Community Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and General	\$ 359,059	\$ 374,136	\$ 357,354	\$ 404,099	\$ 410,646	\$ 499,606	\$ 483,335
<b>Total</b>	<b>\$ 1,421,246</b>	<b>\$ 1,420,581</b>	<b>\$ 1,439,901</b>	<b>\$ 1,420,247</b>	<b>\$ 1,531,445</b>	<b>\$ 1,627,609</b>	<b>\$ 1,580,086</b>
%Change (year over year)			1.3%	0.0%	7.8%	6.3%	-2.9%

	Last Rebasings Year (2013 Board- Approved)	Last Rebasings Year (2013 Actuals)	Variance 2013 Board-approved - 2013 Actuals	2014 Actuals	Variance 2014 Actuals vs. 2013 Actuals	2015 Actuals	Variance 2015 Actuals vs. 2013 Actuals	2016 Actuals	Variance 2016 Actuals vs. 2015 Actuals	2017 Bridge Year	Variance 2017 Bridge vs. 2016 Actuals	2018 Test Year	Variance 2018 Test vs. 2017 Bridge
Operations	\$ 543,617	\$ 535,159	\$ 8,458	\$ 581,576	\$ 46,417	\$ 526,730	\$ -54,846	\$ 574,153	\$ 47,423	\$ 540,346	\$ 33,807	\$ 514,586	\$ 25,760
Maintenance	\$ 201,605	\$ 215,047	\$ 13,442	\$ 190,949	\$ 24,098	\$ 159,501	\$ 31,448	\$ 194,875	\$ 35,374	\$ 236,866	\$ 41,991	\$ 226,447	\$ 10,419
Billing and Collecting	\$ 316,965	\$ 296,239	\$ 20,726	\$ 310,022	\$ 13,783	\$ 329,917	\$ 19,895	\$ 351,771	\$ 21,854	\$ 350,791	\$ 980	\$ 355,718	\$ 4,927
Community Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative and General	\$ 359,059	\$ 374,136	\$ 15,077	\$ 357,354	\$ 16,782	\$ 404,099	\$ 46,745	\$ 410,646	\$ 6,547	\$ 499,606	\$ 88,960	\$ 483,335	\$ 16,271
<b>Total OM&amp;A Expenses</b>	<b>\$ 1,421,246</b>	<b>\$ 1,420,581</b>	<b>\$ 665</b>	<b>\$ 1,439,901</b>	<b>\$ 19,320</b>	<b>\$ 1,420,247</b>	<b>\$ 19,654</b>	<b>\$ 1,531,445</b>	<b>\$ 111,198</b>	<b>\$ 1,627,609</b>	<b>\$ 96,164</b>	<b>\$ 1,580,086</b>	<b>\$ 47,523</b>
Adjustments for Total non-recoverable items (from Appendixes 2-JA and 2-JB)													
<b>Total Recoverable OM&amp;A Expenses</b>	<b>\$ 1,421,246</b>	<b>\$ 1,420,581</b>	<b>\$ 665</b>	<b>\$ 1,439,901</b>	<b>\$ 19,320</b>	<b>\$ 1,420,247</b>	<b>\$ 19,654</b>	<b>\$ 1,531,445</b>	<b>\$ 111,198</b>	<b>\$ 1,627,609</b>	<b>\$ 96,164</b>	<b>\$ 1,580,086</b>	<b>\$ 47,523</b>
Variance from previous year				\$ 19,320		\$ 19,654		\$ 111,198		\$ 96,164		\$ 47,523	
Percent change (year over year)				1%		-1%		8%		6%		-3%	
Percent Change: Test year vs. Most Current Actual								3.18%					
Simple average of % variance for all years								11.23%					2%
Compound Annual Growth Rate for all years													1.8%
Compound Growth Rate (2016 Actuals vs. 2013 Actuals)								1.90%					

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4 Consistent with the OEB Appendix 2-JB, Table 4-4 below provides a list of the cost drivers that

5 affected year over year OM&A spending. As the table shows, SLHI does not have many drivers that

6 meet the materiality threshold of \$50,000.

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**Table 4-4: OEB Appendix 2- JB – OM&A Cost Drivers**  
**Appendix 2-JB**  
**Recoverable OM&A Cost Driver Table<sup>1,3</sup>**

OM&A	Last Rebasng Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Actuals	2017 Bridge Year	2018 Test Year
<i>Reporting Basis</i>	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
<b>Opening Balance<sup>2</sup></b>	\$ 1,421,246	\$ 1,420,581	\$ 1,439,901	\$ 1,420,247	\$ 1,531,445	\$ 1,627,609
Salaries, Wages(including overhead)		\$49,732	(\$15,165)	\$37,423	\$23,305	(\$53,401)
Training		\$173	(\$25,228)	\$27,153	(\$12,002)	(\$8,025)
Memberships Licences & Fees		(\$9,085)	(\$3,486)	(\$2,158)	\$2,720	\$628
Billing		(\$886)	(\$1,878)	\$13,844	\$1,763	\$2,165
Collecting		\$3,433	\$3,553	(\$4,508)	(\$12,768)	\$657
Administration		(\$3,562)	\$6,116	(\$6,676)	\$6,048	\$20,268
OESP Program Development Costs			\$10,931			
Bad Debts		\$5,117	(\$15,763)	\$1,547	\$5,442	(\$914)
Consulting Fees		(\$2,951)	\$18,399	\$7,944	\$67,550	(\$49,532)
Professional Fees		\$1,236	\$5,751	\$4,054	(\$4,861)	\$14,040
Bank and Merchant Fees		\$11,389	\$6,920	\$13,640	\$354	\$1,485
Tree Trimming		(\$17,567)	(\$9,547)	\$15,908	(\$11,854)	\$1,149
U/G Maintenance				\$2,212	\$12,788	\$0
Operations/Maintenance		(\$14,634)	(\$29,696)	\$26,512	\$17,307	\$25,687
Fleet		(\$2,389)	\$6,222	\$17,646	(\$1,100)	\$1,384
Meter Reverifications					\$11,313	\$160
All Other Items	(\$665)	(\$686)	\$23,217	(\$43,343)	(\$9,841)	(\$3,274)
<b>Closing Balance<sup>2</sup></b>	\$ 1,420,581	\$ 1,439,901	\$ 1,420,247	\$ 1,531,445	\$ 1,627,609	\$ 1,580,086

The wages in 2018 decreased by \$53,401 due to two staff retirements and the elimination of one position due to attrition.

Consulting fees increased in 2017 and decreased in 2018 due to the preparation of the Distribution System Plan and the Cost of Service Application.

The OM&A Program Table (Appendix 2-JB) is provided in section 4.3 Program Delivery Costs with Variance Analysis.



1 Below is Table 4-5 illustrating Recoverable OM&A Cost per Customer and per FTE

2 **Table 4-5: OEB Appendix 2-L – Recoverable OM&A Cost per Customer and FTE**

**Appendix 2-L  
 Recoverable OM&A Cost per Customer and per FTE <sup>1</sup>**

	Last Rebasing Year - 2013- Board Approved	Last Rebasing Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Actuals	2017 Bridge Year	2018 Test Year
Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
<b>OM&amp;A Costs</b>							
O&M	\$ 707,676	\$ 750,206	\$ 772,525	\$ 686,231	\$ 769,028	\$ 777,212	\$ 741,033
Admin Expenses	\$ 713,570	\$ 670,375	\$ 667,376	\$ 734,016	\$ 762,417	\$ 850,397	\$ 839,053
Total Recoverable OM&A from Appendix 2-JB <sup>5</sup>	\$ 1,421,246	\$ 1,420,581	\$ 1,439,901	\$ 1,420,247	\$ 1,531,445	\$ 1,627,609	\$ 1,580,086
Number of Customers <sup>2,4</sup>	3,293	3,332	3,347	3,345	3,358	3,365	3,372
Number of FTEs <sup>3,4</sup>	9	9	9	9.35	9.35	9.06	8.35
Customers/FTEs	365.89	370.22	371.89	357.75	359.14	371.41	403.83
<b>OM&amp;A cost per customer</b>							
O&M per customer	214.90	225.15	230.81	205.15	229.01	230.97	219.76
Admin per customer	216.69	201.19	199.40	219.44	227.04	252.72	248.83
Total OM&A per customer	431.60	426.34	430.21	424.59	456.06	483.69	468.59
<b>OM&amp;A cost per FTE</b>							
O&M per FTE	78,630.67	83,356.22	85,836.11	73,393.69	82,248.98	85,784.99	88,746.47
Admin per FTE	79,285.56	74,486.11	74,152.89	78,504.39	81,541.93	93,862.80	100,485.39
Total OM&A per FTE	157,916.22	157,842.33	159,989.00	151,898.07	163,790.91	179,647.79	189,231.86

3

4 The overall level of OM&A per customer increased by \$36.99, the number of customers per FTE has  
 5 increased by 37.94, and the overall level of OM&A per FTE has increased by \$31,315.64 since the  
 6 2013 Board Approved amount. The increase is expected due to the small number of staff and the  
 7 consideration of one less employee in 2018 from prior years.

8 There has been no increase or decrease to the capitalization of overhead since the last rebasing  
 9 application, and therefore has not affected the OM&A fluctuations. OEB Appendix 2-D is included in  
 10 Exhibit 2, page 34.

11

1 **Variance Analysis for Change in OM&A Expenses**

2 The following tables illustrate the variances in OM&A expenses year over year from 2013 Board  
 3 Approved through to the 2018 Test year. SLHI will provide explanations for all variances greater  
 4 than the \$50,000 materiality threshold.

5 **Table 4-6: 2013 Board Approved vs. 2013 Actual**

Description	2013 Board Approved	2013 Actual	Variance from Board Approved
Operations	\$543,617	\$535,159	-\$8,458
Maintenance	\$201,605	\$215,047	\$13,442
Billing & Collecting	\$316,965	\$296,239	-\$20,726
Community Relations	-	-	-
Administrative & General Expenses	\$359,059	\$374,136	\$15,077
Total OM & A Expense	\$1,421,246	\$1,420,581	-\$665
Percentage change (year over year)		0%	

6  
 7 The variance between 2013 Board Approved and 2013 Actual does not meet the materiality  
 8 threshold.

9 **Table 4-7: 2013 Actual vs. 2014 Actual**

Description	2013 Actual	2014 Actual	Variance
Operations	\$535,159	\$581,576	\$46,417
Maintenance	\$215,047	\$190,949	-\$24,098
Billing & Collecting	\$296,239	\$310,022	\$13,783
Community Relations	-	-	-
Administrative & General Expenses	\$374,136	\$357,354	-\$16,782
Total OM & A Expense	\$1,420,581	\$1,439,901	\$19,320
Percentage change (year over year)		1%	

10  
 11 The variance between 2013 and 2014 actuals does not meet the materiality threshold.

12

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**Table 4-8: 2014 Actual vs. 2015 Actual**

Description	2014 Actual	2015 Actual	Variance
Operations	\$581,576	\$526,730	-\$54,846
Maintenance	\$190,949	\$159,501	-\$31,448
Billing & Collecting	\$310,022	\$329,917	\$19,895
Community Relations	-	-	-
Administrative & General Expenses	\$357,354	\$404,099	\$46,745
Total OM & A Expense	\$1,439,901	\$1,420,247	-\$19,654
Percentage change (year over year)		-1%	

2

3 The variance of 2015 to 2014 Actuals in the amount of \$(19,654) or -1% is in itself immaterial,  
 4 however the change in Operations expenses exceeds the materiality threshold. This decrease is due  
 5 primarily to a decrease in labour expense of \$28,245 as a result of the Municipality of Sioux lookout  
 6 contracting to perform the work to install LED street lights for the town. The expense for the  
 7 Labour was recorded in OEB account 4380 – Expense from Non-Utility Operations. There was also a  
 8 decrease in training of \$25,228 as a result of postponing apprenticeship training due to an injury.

9

**Table 4-9: 2015 Actual vs. 2016 Actual**

Description	2015 Actual	2016 Actual	Variance
Operations	\$526,730	\$574,153	\$47,423
Maintenance	\$159,501	\$194,875	\$35,374
Billing & Collecting	\$329,917	\$351,771	\$21,854
Community Relations	-	-	-
Administrative & General Expenses	\$404,099	\$410,646	\$6,547
Total OM & A Expense	\$1,420,247	\$1,531,445	\$111,198
Percentage change (year over year)		8%	

10

11 The variance of 2016 to 2015 Actual expenses of \$111,198 or an increase of 8% is a result of the  
 12 following.

- 13 • Increase in Operations Labour due to the Street Light conversion in 2015. 2016 Actual  
 14 expenses are more comparable with 2014 figures (\$581,576, a variance of -\$7,423).

- 1       • Increase in training of \$27,153.
- 2       • An increase in tree trimming expenses in 2016 of \$15,908.
- 3       • An increase in Merchant Fees in 2016 of \$13,640.
- 4       • Other various immaterial variances due to normal year over year fluctuations.

**Table 4-10: 2016 Actual vs. 2017 Bridge**

Description	2016 Actual	2017 Bridge	Variance
Operations	\$574,153	\$540,346	-\$33,807
Maintenance	\$194,875	\$236,866	\$41,991
Billing & Collecting	\$351,771	\$350,791	-\$980
Community Relations			-
Administrative & General Expenses	\$410,646	\$499,606	\$88,960
Total OM & A Expense	\$1,531,445	\$1,627,609	\$96,164
Percentage change (year over year)		6%	

7 The variance of 2017 Bridge year to 2016 actual is planned to be an increase of \$96,164 or 6%. The  
 8 main driver for this increase is actual and expected costs for consultants to prepare the 2018 Cost  
 9 of Service application, which includes the Distribution System Plan, of \$75,000.

**Table 4-11: 2017 Bridge vs. 2018 Test**

Description	2017 Bridge	2018 Test	Variance
Operations	\$540,346	\$514,586	-\$25,760
Maintenance	\$236,866	\$226,447	-\$10,419
Billing & Collecting	\$350,791	\$355,718	\$4,927
Community Relations	-	-	-
Administrative & General Expenses	\$499,606	\$483,335	-\$16,271
Total OM & A Expense	\$1,627,609	\$1,580,086	-\$47,523
Percentage change (year over year)		-3%	

12 The variance of 2018 Test year to 2017 Bridge is planned to be a decrease of \$47,523 or 3%. The  
 13 main drivers for the decrease are:

- 14       • Smoothing out one-time costs of the cost of service application over 5 years.

- 1 • A decrease in Operations and Maintenance expenses as a result of eliminating a position in  
2 the Lines department through attrition.

### 3 **4.3 Program Delivery Costs with Variance Analysis**

4 OM&A costs and programs in this Exhibit represent SLHI's integrated set of asset maintenance and  
5 customer activity needs to meet public and employee safety objectives, to comply with the  
6 Distribution System Code, environmental requirements and government direction, and to maintain  
7 distribution business service quality and reliability at targeted performance levels, ensuring the  
8 delivery of safe, reliable and affordable electricity to the Municipality of Sioux Lookout. OM&A costs  
9 also include providing services to customers connected to SLHI's distribution system and meeting  
10 the requirements of the OEB's Standard Supply Service Code and Retail Settlement Code. This also  
11 includes costs to contributing and achieving the new Renewed Regulatory Framework ("RRFE")  
12 performance outcomes of Customer Focus, Operational Effectiveness and Public Policy  
13 Responsiveness. SLHI strives to meet or exceed all stakeholder requirements and is committed to  
14 continuous improvement in all areas.

15 The operating budget is prepared annually and coordinated by management. Management presents  
16 the OM&A budget to be reviewed and approved by the Board of Directors. Once the Board of  
17 Directors approves the annual budget, the budget amounts do not change but rather provide a plan  
18 against which actual results may be evaluated. The operating budget process at SLHI is an integral  
19 planning tool and ensures that appropriate resources are available to maintain its distribution  
20 system assets as well as respond to customer expectations and regulatory requirements. SLHI's  
21 main objective is to optimize the performance of assets and meet customer expectations and  
22 regulatory requirements at a reasonable cost.

23 In accordance with the Filing Requirements, a variance analysis for changes from the Test Year vs  
24 2016 Actuals (most recent actuals) and the Test Year vs Last Rebasing Year 2013 will be provided  
25 using the materiality threshold of \$50,000. Those variances that meet or exceed the threshold have  
26 been highlighted in the following Table 4-12.

27

1

**Table 4-12: OEB Appendix 2-JC - OM&A Program Table**

Appendix 2-JC OM&A Programs Table									
Programs	Last Rebasings Year (2013 Board-Approved)	Last Rebasings Year (2013 Actuals)	2014 Actuals	2015 Actuals	2016 Actuals	2017 Bridge Year	2018 Test Year	Variance (Test Year vs. 2016 Actuals)	Variance (Test Year vs. Last Rebasings Year (2013 Board-Approved))
<i>Reporting Basis</i>	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS		
<b>Operations</b>									
Apprenticeship Training	21,224	20,864	21,647	7,659	23,627	11,000	0	-23,627	-21,224
Mapping	0	33,854	37,607	34,069	33,196	35,561	36,281	3,084	36,281
Distribution Lines Operations	522,393	480,441	562,322	485,002	517,330	498,155	478,305	-39,025	-44,088
								0	0
<b>Sub-Total</b>	543,617	535,159	621,576	526,730	574,153	544,716	514,586	-59,567	-29,031
<b>Maintenance</b>									
Tree Trimming	51,200	86,889	69,322	59,775	75,683	63,829	65,041	-10,642	13,841
U/G Cable Maintenance	0				2,212	15,000	15,000	12,788	15,000
Meter Reverification Program	0					11,313	11,473	11,473	11,473
Transformer and Lines Maintenance	150,405	128,158	121,627	99,726	116,980	142,414	134,933	17,953	-15,472
								0	0
<b>Sub-Total</b>	201,605	215,047	190,949	159,501	194,875	232,556	226,447	31,572	24,842
<b>Billing &amp; Collecting</b>									
Monthly Billing System Charges	53,100	53,100	53,100	55,755	67,464	70,379	71,716	4,252	18,616
Billing System Program Changes	2,500	2,537	8,911	6,130	2,584	10,000	10,000	7,416	7,500
Smart Meter Administration	59,167	55,980	48,742	47,361	54,961	56,895	57,977	3,016	-1,190
Third Party Collection	22,285	15,892	18,758	22,903	17,722	5,500	5,500	-12,222	-16,785
Bad Debt	20,000	34,740	39,857	24,094	25,641	31,083	30,169	4,528	10,169
Bank and Merchant fee Charges	55,183	50,197	61,586	68,506	82,146	82,500	84,068	1,922	28,885
All Other Billing & Collecting	104,730	83,793	79,068	105,168	101,253	94,434	96,288	-4,965	-8,442
								0	0
<b>Sub-Total</b>	316,965	296,239	310,022	329,917	351,771	350,791	355,718	3,947	38,753
<b>Administration</b>									
Insurance	18,850	21,584	22,694	21,487	24,229	23,552	24,000	-229	5,150
Regulatory	33,046	23,097	15,590	29,099	17,731	15,223	18,474	743	-14,572
Professional Fees	36,773	25,320	26,556	32,307	36,361	31,500	35,070	-1,291	-1,703
Travel and Meetings	40,563	33,666	27,527	30,082	25,526	36,200	36,889	11,363	-3,674
All Other Administration and General	229,827	269,209	264,987	280,318	287,824	293,822	304,902	17,078	75,075
								0	0
<b>Sub-Total</b>	359,059	372,876	357,354	393,293	391,671	400,297	419,335	27,664	60,276
<b>Special Projects</b>									
Asset Management Plan/Distribution System Plan					15,100	24,249		-15,100	0
Asset Condition Assessment				10,806	3,875			-3,875	0
Cost of Service Application		1,260				75,000	24,000	24,000	24,000
Anticipated on going consulting fees							40,000	40,000	40,000
								0	0
<b>Sub-Total</b>	0	1,260	0	10,806	18,975	99,249	64,000	45,025	64,000
<b>Miscellaneous</b>									
								0	0
<b>Total</b>	<b>1,421,246</b>	<b>1,420,581</b>	<b>1,479,901</b>	<b>1,420,247</b>	<b>1,531,445</b>	<b>1,627,609</b>	<b>1,580,086</b>	<b>48,641</b>	<b>158,840</b>

2

3 **Test Year (2018) vs 2016 Actuals**

4 On an OM&A program basis there are no variances that meet or exceed the materiality threshold.  
 5 The overall \$59,567 decrease in Operations is mostly due to labour costs as a result of the change in  
 6 staff members which is explained in greater detail in Section 4.3.1.

1 ***Test Year (2018) vs 2013 Board Approved Last Rebasing Year***

2 Other Administration and General Expenses are shown to have increased by \$75,075 since the last  
3 2013 Board Approved Rebasing year. The 2013 Board Decision in EB-2012-0165 included a  
4 reduction to OM&A in the amount of \$133,148, which was allocated by SLHI to where the savings  
5 were expected to be materialized. There was (\$84,746) allocated to operations and (\$48,428) to  
6 Administration and General. The actual 2013 results for the Other Administration and General  
7 program show that variance between the 2018 Test year and the 2013 Actuals is \$35,693, which is  
8 below the materiality level. Since there is very little variance between 2013 Board Approved and  
9 2013 Actuals SLHI feels the \$75,075 variance is a result of the allocation of the envelope reduction  
10 received in the last COS Decision to actual results.

11 The overall variance in the sub-total of Special Projects of \$64,000 is a result of consulting fees to  
12 prepare this application and a need for additional consulting services to respond to public policy  
13 direction and regulatory requirements, which are outside SLHI's control.

14 ***4.3.1 Workforce Planning and Employee Compensation***

15 SLHI currently employs 8 staff members. In its last Cost of Service application in 2013, SLHI hired  
16 one additional apprentice lineman in order to prepare for retirements that would be occurring  
17 within the next five years. This was approved by the OEB. The intent was to provide hands on  
18 training and transfer of knowledge of the system before long time employees retired. In 2017, SLHI  
19 had two senior employees retire; the Operations Manager and the Working Foreman.

20 ***Union***

21 SLHI's unionized staff is represented by the Power Worker's Union Local #1000. The current  
22 collective agreement expires March 31, 2018; formal negotiations will begin early to mid-2018. The  
23 current agreement, which was effective April 1, 2016 includes annual wage increases of 2.0% per  
24 year for the two years it is in effect.

25 ***Executive/Management***

26 Executive and management compensation plans consist of salaries and benefits. Each position  
27 within the company has been placed on a pay scale which is reviewed annually by senior  
28 management and the Board of Directors. The review is based on performance and an inflationary  
29 adjustment. Changes to senior management compensation, if any, are approved by the Board of

1 Directors. Any bonus compensation or incentives are at the discretion of the Board of Directors.  
2 Currently, SLHI does not offer any incentive or bonus compensation. Currently the only position in  
3 this category is the President/CEO.

4 ***Benefits and Post-Retirement Benefits (OPEB)***

5 SLHI offers its employees a comprehensive benefit package that includes medical insurance, life  
6 insurance, vacation and retirement plan. The plans are designed to address the health and wellness  
7 needs of the employees; the plans are both the same for management and union employees. All full  
8 time staff participates in the OMERS pension plan which contributes to their retirement benefit  
9 with employer matching contributions.

10 SLHI does not provide on-going post-retirement health and dental benefits to its employees. SLHI  
11 does provide life insurance for retirees. Also, employees receive a retirement bonus equal to one-  
12 half of their accumulated sick leave credits, which shall not exceed 200 days.

13 Attached as Appendix 4A is the most recent actuarial report. SLHI began recording OPEB expense in  
14 2015 in response to the transition to IFRS, it is recorded on an accrual basis. An actuarial study was  
15 completed in 2016 for the years 2014, 2015 and projected 2016 and 2017. SLHI is not due to have a  
16 full study done until 2018, therefore a review was done by the actuary based on the retirements in  
17 2017 and revised projections were made for 2017 and 2018. These estimates are provided in  
18 Appendix 4B.

19 ***Employee Compensation and Benefits***

20 SLHI has set out employee compensation and benefits information in Table 4-13 below in  
21 accordance with the filing requirements. Since SLHI has three or fewer employees in the  
22 Management category, the information is aggregated with the Non-Management category.



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**Table 4-13: OEB Appendix 2-K Employee Costs**  
**Appendix 2-K**  
**Employee Costs**

	Last Rebasng Year - 2013- Board Approved	Last Rebasng Year - 2013- Actual	2014 Actuals	2015 Actuals	2016 Actuals	2017 Bridge Year	2018 Test Year
<b>Number of Employees (FTEs including Part-Time)<sup>1</sup></b>							
Management (including executive)	2	2	2	2	2	2	1
Non-Management (union and non-union)	7.00	7.00	7.00	7.35	7.35	7.35	7.35
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8</b>
<b>Total Salary and Wages including overtime and incentive pay</b>							
Management (including executive)							
Non-Management (union and non-union)	\$ 641,205	\$ 663,689	\$ 690,077	\$ 731,695	\$ 764,396	\$ 727,718	\$ 672,391
<b>Total</b>	<b>\$ 641,205</b>	<b>\$ 663,689</b>	<b>\$ 690,077</b>	<b>\$ 731,695</b>	<b>\$ 764,396</b>	<b>\$ 727,718</b>	<b>\$ 672,391</b>
<b>Total Benefits (Current + Accrued)<sup>2</sup></b>							
Management (including executive)							
Non-Management (union and non-union)	\$ 144,240	\$ 118,919	\$ 119,138	\$ 133,851	\$ 154,266	\$ 156,758	\$ 153,324
<b>Total</b>	<b>\$ 144,240</b>	<b>\$ 118,919</b>	<b>\$ 119,138</b>	<b>\$ 133,851</b>	<b>\$ 154,266</b>	<b>\$ 156,758</b>	<b>\$ 153,324</b>
<b>Total Compensation (Salary, Wages, &amp; Benefits)</b>							
Management (including executive)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Management (union and non-union)	\$ 785,445	\$ 782,608	\$ 809,215	\$ 865,546	\$ 918,662	\$ 884,476	\$ 825,715
<b>Total</b>	<b>\$ 785,445</b>	<b>\$ 782,608</b>	<b>\$ 809,215</b>	<b>\$ 865,546</b>	<b>\$ 918,662</b>	<b>\$ 884,476</b>	<b>\$ 825,715</b>

***Change in Employee Compensation & Benefits***

**2013 Actual Vs 2014 Actual**

**Non-Management (union and non-union):**

**Change in FTE: 0**

**Change in Wages: +\$26,388**

**Change in Benefits Costs: +\$219**

Contributing factors for the increase in wages are a 2.5% increase for union and non-union workers effective April 1, 2013, 2.7% increase for union workers effective April 1, 2014, and two employees progressing to Apprentice Lineman(3<sup>rd</sup> year) in 2014 an additional 5% for each employee.

**2014 Actual Vs 2015 Actual**

**Non-Management (union and non-union):**

**Change in FTE: 0**

**Change in Wages: +\$41,618**

**Change in Benefits Costs: +\$14,713**

1 Contributing factors for the increase in wages are a 2.7% increase for union and non-union workers  
2 effective April 1, 2015, and two employees progressing to Apprentice Lineman(4<sup>th</sup> year) in 2015 an  
3 additional 10% per employee. Benefits include \$8,443 for OPEB Expense.  
4

5 2015 Actual Vs 2016 Actual

6 Non-Management (union and non-union):

7 Change in FTE: 0

8 Change in Wages: +\$32,701

9 Change in Benefits Costs: +\$20,415  
10  
11

12 Contributing factors for the increase in wages are a 2.0% increase for union and non-union workers  
13 effective April 1, 2016, and one employee progressing to Journeyman in 2016 an additional 5%.  
14 Benefits include \$8,685 for OPEB Expense, and an increase in Benefit Plan rates.  
15

16 2016 Actual Vs 2017 Bridge

17 Non-Management (union and non-union):

18 Change in FTE: 0

19 Change in Wages: -\$36,378

20 Change in Benefits Costs: +\$2,492  
21

22 Contributing factors for the decrease in wages in 2017 are the retirement of two SLHI employees  
23 midway through the year. As explained at the beginning of this section, SLHI hired only one new  
24 employee as was the plan in the 2013 Cost of Service application. The overlap of when the  
25 additional employee was hired and the official retirement dates as a result of vacation day  
26 entitlements still resulted in an FTE of 9 employees. This would be offset by the 2.0% increase for  
27 union and non-union employees.  
28

1 2017 Bridge Vs 2018 Test

2 Non-Management (union and non-union):

3 Change in FTE: -1

4 Change in Wages: -\$55,327

5 Change in Benefits Costs: -\$3,434

6

7 Contributing factors for the decrease in wages in 2018 are the reduction of compensation and  
8 wages as a result of the lower compensation for the staffing changes due to the retirements in 2017  
9 and the decrease of FTE by one. A 2.0% increase was budgeted for the Test Year, however the figure  
10 will not be determined until union negotiations are complete mid-way through 2018.

11

#### 12 **4.3.2 Shared Service and Corporate Cost Allocation**

13 This section is not applicable to SLHI since there are no affiliates or parent companies to which this  
14 would pertain

#### 15 **4.3.3 Purchases of Non-Affiliate Services**

16 SLHI does purchase services and products from third parties. Table 4-14 discloses the expenditures  
17 by vendor where the annual amount exceeded the \$50,000 materiality threshold for the years  
18 2013, 2014, 2015 and 2016.

19 SLHI's procurement policy is attached as Appendix 4C. The policy has not changed since the last  
20 cost of service application in 2013. All purchases are within the budget which is approved by the  
21 SLHI Board of Directors.

1

**Table 4-14: Non-Affiliate Purchases**

<b>2013 Non-Affiliate Suppliers</b>			
<b>Vendor</b>	<b>Amount</b>	<b>Product/Service</b>	<b>Procurement Method</b>
Kamtech Electric Installations Ltd.	\$50,102	Approved Contractor for CDM Small Business Lighting and Retrofits	RFP
MGM Electric	\$120,757	Distribution Equipment/Materials	Sole Source - preferred
OMERS	\$136,020	Pension Plan	Sole Source
Receiver General for Canada	\$441,841	Source Deductions	Sole Source
Stratton Equipment Sales & Service	\$89,419	Bobcat Backhoe	Sealed bid
The Mearie Group	\$74,961	Employee Insurance Benefits	Sole Source
Thunder Bay Hydro Utility Services Inc.	\$165,861	Billing/Settlement/Collection Services/CDM Program Management/Smart Meter AMI Support	multi-year contract
<b>2014 Non-Affiliate Suppliers</b>			
<b>Vendor</b>	<b>Amount</b>	<b>Product/Service</b>	<b>Procurement Method</b>
Greensaver	\$92,530	Deliver Low Income Conservation Programs	RFP
MGM Electric	\$116,899	Distribution Equipment/Materials	Single Source
OMERS	\$138,403	Pension Plan	Sole Source
Receiver General for Canada	\$501,934	Source Deductions	Sole Source
The Mearie Group	\$55,407	Employee Insurance Benefits	Sole Source
Thunder Bay Utility Services Inc.	\$206,981	Billing/Settlement/Collection Services/CDM Program Management/Smart Meter AMI Support	multi-year contract
<b>2015 Non-Affiliate Suppliers</b>			
<b>Vendor</b>	<b>Amount</b>	<b>Product/Service</b>	<b>Procurement Method</b>
MGM Electric	\$98,143	Distribution Equipment/Materials	Single Source
OMERS	\$148,195	Pension Plan	Sole Source
Receiver General for Canada	\$542,660	Source Deductions	Sole Source
The Mearie Group	\$58,238	Employee Insurance Benefits	Sole Source
Thunder Bay Hydro Utility Services Inc.	\$184,440	Billing/Settlement/Collection Services/CDM Program Management/Smart Meter AMI Support	multi-year contract
<b>2016 Non-Affiliate Suppliers</b>			
<b>Vendor</b>	<b>Amount</b>	<b>Product/Service</b>	<b>Procurement Method</b>
MGM Electric	\$133,232	Distribution Equipment/Materials	Single Source
OMERS	\$154,804	Pension Plan	Sole Source
Receiver General for Canada	\$427,312	Source Deductions	Sole Source
The Mearie Group	\$75,638	Employee Insurance Benefits	Sole Source
Thunder Bay Hydro Utility Services	\$178,949	Billing/Settlement/Collection Services/CDM Program Management/Smart Meter AMI Support	multi-year contract

2

1 **4.3.4 One-Time Costs**

2 SLHI has included one-time costs of \$120,000 in its 2018 Test Year revenue requirement based on a  
 3 five year recovery until the next Cost of Service Application. Section 4.3.5 will provide greater detail  
 4 of these one-time costs since they are related to regulatory matters.

5 **4.3.5 Regulatory Costs**

6 In accordance with the Filing Requirements, OEB Appendix 2-M: Regulatory Costs in Table 4-15  
 7 below show SLHI regulatory costs for the 2013 Board approved, most current actuals (2016), 2017  
 8 Bridge and 2018 Test Year.

9 **Table 4-15: OEB Appendix 2-M: Regulatory Cost Schedule**

**Appendix 2-M  
 Regulatory Cost Schedule**

Regulatory Cost Category	USoA Account	USoA Account Balance	Ongoing or One-time Cost? <sup>2</sup>	Last Rebasings Year (2013 Board Approved)	Most Current Actuals Year 2016	2017 Bridge Year	Annual % Change	2018 Test Year	Annual % Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H) = ((G)-(F))/(F)	(I)	(J) = ((I)-(G))/(G)
1 OEB Annual Assessment	5655		On-Going	\$ 12,734	\$ 14,122		-100.00%	\$ 13,474	
2 OEB Section 30 Costs (Applicant-originated)			One-Time						
3 OEB Section 30 Costs (OEB-initiated)	5655		On-Going	\$ 1,000	\$ 835		-100.00%		
4 Expert Witness costs for regulatory matters									
5 Legal costs for regulatory matters	5630		On-Going		\$ 710		-100.00%		
6 Consultants' costs for regulatory matters	5665		One-Time	\$ 30,000	\$ 26,850	\$ 95,000	253.82%	\$ 19,000	-80.00%
7 Operating expenses associated with staff resources allocated to regulatory matters	5610		On-Going	\$ 67,353					
8 Operating expenses associated with other resources allocated to regulatory matters <sup>1</sup>	5665		On-Going					\$ 40,000	
9 Other regulatory agency fees or assessments	5680		On-Going	\$ 2,501	\$ 2,614		-100.00%		
10 Legal Costs for Cost of Service Proceeding			One-Time					\$ 3,000	
11 Intervenor costs	5655		One-Time	\$ 5,000	\$ -	\$ 10,000		\$ 4,097	-59.03%
12 Sub-total - Ongoing Costs <sup>3</sup>		\$ -		\$ -	\$ -	\$ -		\$ -	
13 Sub-total - One-time Costs <sup>4</sup>		\$ -		\$ -	\$ -	\$ -		\$ -	
14 Total		\$ -		\$ -	\$ -	\$ -		\$ -	

10

11 Table 4-16 details the breakout of the costs forecasted to prepare the 2018 Rate Application. These  
 12 costs include consulting fees to prepare the Distribution System Plan, Load Forecasting, written  
 13 responses to interrogatories, Legal fees and Cost awards.

14

1 **Table 4-16: OEB Appendix 2-M - Regulatory Cost Schedule: One-Time Costs**

		Historical Year(s)	2017 Bridge Year	2018 Test Year
4	Expert Witness costs			
5	Legal costs	5486.73		15000
6	Consultants' costs		95000	
7	Incremental operating expenses associated with staff resources allocated to this application.			
8	Incremental operating expenses associated with other resources allocated to this application. <sup>1</sup>			
2	11	Intervenor costs		10000

3 The total costs will be amortized over a 5 year period in the amount of \$24,000 per year.

4 Regulatory Costs relating to consulting fees are tracked in USoA account 5665, legal fees in 5630  
 5 and Cost Awards in 5655.

6 In efforts to control expenses, SLHI is requesting a written hearing in this proceeding.

7 **4.3.6 Low-Income Energy Assistance Programs (LEAP)**

8 SLHI has included \$2,600 of expense for the Low Income Energy Assistance Program (LEAP), in  
 9 OM&A (USoA 5340), for the 2018 Test Year. The amount is based on the OEB's determination that  
 10 the greater of .12% of a distributor's distribution revenue requirement or \$2,000 is a reasonable  
 11 commitment. The \$2,600 is based on .12% of the proposed revenue requirement of \$2,200,916  
 12 rounded to the nearest one hundred dollars.

13 Kenora District Services Board is the Intake Agency for SLHI, who administers, approves or denies  
 14 the delivery of funds assisting low-income energy consumers.

15 SLHI does not participate in legacy programs such as Winter Warmth; therefore no additional  
 16 amounts have been included in the Test Year for recovery in rates.

17 **4.3.7 Charitable and Political Donations**

18 SLHI does not donate to charities; therefore, SLHI confirms that no charitable donation have been  
 19 included in OM&A expenses for the 2018 Test Year other than the LEAP Funding amount stated in  
 20 the previous section.

1 SLHI does not make political donations and as such no amounts have been included in the 2018  
2 Test Year for recovery.

#### 3 **4.4 Depreciation, Amortization and Depletion**

4 SLHI has attached its capitalization policy in Exhibit 2 as Appendix 2C. SLHI presented the changes  
5 to capital assets' useful lives in its last Cost of Service rate application; EB-2012-0165. The change  
6 in useful lives was approved by the Board at that time and in effect January 1, 2012. SLHI adopted  
7 IFRS in 2015 with 2014 as the transition year. No changes to the capitalization policy have been  
8 made since the last cost of service application.

9 SLHI does not have any asset retirement obligations at this time.

10 SLHI confirms that all pooled capital additions assume the half year rule for depreciation expense.

11 As per the Filing Requirements, SLHI completed and compared its useful life of assets with the  
12 Kinectrics Depreciation Study Report, OEB Appendix 2-BB. See Table 4-17 and 4-18 below with  
13 service life comparison.

14

1

**Table 4-17: Service Life Comparison – Table F-1 from Kinectrics Report**

**Appendix 2-BB  
 Service Life Comparison  
 Table F-1 from Kinectrics Report<sup>1</sup>**

Parent*	#	Asset Details		Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?			
				MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL		
OH	1	Fully Dressed Wood Poles	Overall	35	45	75	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No		
			Cross Arm	20	40	55										
	2	Fully Dressed Concrete Poles	Overall	50	60	80			1835	Overhead Conductors & Devices	45	2%	45	2%	Yes	No
			Cross Arm	30	40	55										
	3	Fully Dressed Steel Poles	Overall	60	60	80			1850	Line Transformers	40	3%	40	3%	No	No
			Cross Arm	20	40	55										
	4	OH Line Switch		30	45	55										
	5	OH Line Switch Motor		15	25	25										
	6	OH Line Switch RTU		15	20	20										
	7	OH Integral Switches		35	45	60										
	8	OH Conductors		50	60	75										
9	OH Transformers & Voltage Regulators		30	40	60											
10	OH Shunt Capacitor Banks		25	30	40											
11	Reclosers		25	40	55											
TS & MS	12	Power Transformers	Overall	30	45	60										
			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										
			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											
21	Digital & Numeric Relays		15	20	20											
22	Rigid Busbars		30	55	60											
23	Steel Structure		35	50	90											
UG	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										
	30	Secondary PILC Cables		70	75	80										
	31	Secondary Cables Direct Buried		25	35	40										
	32	Secondary Cables in Duct		35	40	60	1845	Underground Conductors & Devices	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	Line 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											
38	UG Vault Switches		20	35	50											
39	Pad-Mounted Switchgear		20	30	45											
40	Ducts		30	50	85	1840	Underground Conduit	50	2%	50	2%	No	No			
41	Concrete Encased Duct Banks		35	55	80											
42	Cable Chambers		50	60	80											
S	43	Remote SCADA		15	20	30										

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**Table 4-18: Service Life Comparison – Table F-2 from Kinetrics Report**

**Table F-2 from Kinetrics Report<sup>1</sup>**

#	Asset Details Category   Component   Type		Useful Life Range		USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
							Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15	1915	Office Furniture & Equipment	10	10%	10	10%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment > 3 tons	8	13%	8	13%	No	No
		Trailers	5	20	1930	Transportation Equipment < 3 tons	5	20%	5	20%	No	No
		Vans	5	10								
3	Administrative Buildings		50	75								
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75								
		Parking	25	30								
		Fence	25	60								
		Roof	20	30								
6	Computer Equipment		3	5	1920	Computer Hardware	5	20%	5	20%	No	No
			2	5	1925	Computer Software	5	20%	5	20%	No	No
7	Equipment	Power Operated	5	10	1950	Power Operated Equipment	5	20%	5	20%	No	No
		Stores	5	10	1950	Power Operated Equipment	8	13%	8	13%	No	No
		Tools, Shop, Garage Equipment	5	10	1940	Tools, Shop and Garage Equipment	10	10%	10	10%	No	No
		Measurement & Testing Equipment	5	10	1945	Measurement and Testing Equipment	10	10%	10	10%	No	No
8	Communication		60	70								
			2	10	1955	Communication Equipment	10	10%	10	10%	No	No
9	Residential Energy Meters		25	35								
10	Industrial/Commercial Energy Meters		25	35								
11	Wholesale Energy Meters		15	30								
12	Current & Potential Transformer (CT & PT)		35	50	1860	Meters - CTs & PTs	25	4%	25	4%	Yes	No
13	Smart Meters		5	15	1860	Meters - Smart Meters	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		10	15								
15	Data Collectors - Smart Metering		15	20								

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3

Referring to Table 4-17 and Table 4-18, SLHI is outside of the range for OH Conductors and Devices and Current & Potential Transformers. These expectant lives were approved in the 2013 Cost of Service application when SLHI revised their capitalization policy in response to the Board's direction. SLHI feels these are still appropriate.

7

In accordance with the filing requirements SLHI completed OEB Appendix 2-C for years 2014, 2015, 2016, 2017 Bridge and 2018 Test Year. As per the guidelines, there were no material differences in depreciation from the transition to IFRS from CGAAP in 2014; therefore 2014 is reported under CGAAP only. The schedules are as follows:

11





1 **Table 4-23: OEB Appendix 2-C Depreciation and Amortization Expense - 2018 Test(MIFRS)**

Account	Description	Book Values					Service Lives					Depreciation Expense					Variance <sup>4</sup>	
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) <sup>1</sup>	Less Fully Depreciated <sup>2</sup>	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change <sup>3</sup>	Less Fully Depreciated <sup>2</sup>	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions <sup>6</sup>	Average Remaining Life of Assets Existing Before Policy Change <sup>7</sup>	Depreciation Rate Assets Acquired After Policy Change <sup>8</sup>	Life of Assets Acquired After Policy Change <sup>9</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-B4 Fixed Assets, Column J
		a	b	c = a - b	d	e	f = d - e	g	h	i = 100/h	j	k = 100/j	l = c/h	m = f/j	n = (g/5)	o = l + m + n		p
1611	Computer Software (Formerly known as Account 1655)	\$ 24,240	\$ 14,826	\$ 9,414	\$ 137,753	\$ 79,785	\$ 57,968	\$ -	3.27	30.58%	5.00	20.00%	\$ 2,873	\$ 11,594	\$ -	\$ 14,467	\$ 12,903	\$ 1,570
1612	Land Rights (Formerly known as Account 1906)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1605	Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1608	Buildings	\$ 50,840	\$ 50,840	\$ -	\$ -	\$ -	\$ -	\$ -	14.00	7.14%	25.00	4.00%	\$ 3,631	\$ -	\$ -	\$ 3,631	\$ 3,675	\$ 44
1610	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1615	Transformer Station Equipment <50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1620	Distribution Station Equipment <50 kV	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1625	Storage Battery Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1630	Pans, Screens & Rintars	\$ 2,287,202	\$ 2,287,202	\$ 1,036,586	\$ 1,036,586	\$ 173,504	\$ 173,504	\$ 34,500	2.94%	25.00	2.22%	\$ 47,271	\$ 23,013	\$ 1,028	\$ 72,312	\$ 81,299	\$ 912	
1635	Overhead Conductors & Devices	\$ 605,093	\$ 605,093	\$ 190,592	\$ 190,592	\$ 3,200	\$ 3,200	\$ 34,000	2.94%	25.00	2.22%	\$ 17,787	\$ 4,235	\$ 35	\$ 22,065	\$ 22,046	\$ 22	
1640	Underground Conduit	\$ 105,264	\$ 105,264	\$ 22,591	\$ 22,591	\$ 1,200	\$ 1,200	\$ 30,000	2.56%	50.00	2.00%	\$ 2,700	\$ 482	\$ 12	\$ 3,183	\$ 3,188	\$ 5	
1645	Underground Conductors & Devices	\$ 482,212	\$ 482,212	\$ 184,308	\$ 184,308	\$ 35,000	\$ 35,000	\$ 29,000	3.45%	40.00	2.50%	\$ 28,023	\$ 4,658	\$ 438	\$ 28,121	\$ 25,181	\$ 60	
1650	Lines (Transmission)	\$ 1,020,305	\$ 1,020,305	\$ 397,981	\$ 397,981	\$ 41,425	\$ 41,425	\$ 29,000	3.45%	40.00	2.50%	\$ 35,153	\$ 9,990	\$ 518	\$ 45,660	\$ 44,961	\$ 689	
1655	Services (Overhead & Underground)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1660	Meters	\$ 327,572	\$ 181,593	\$ 145,979	\$ 20,670	\$ 20,670	\$ -	\$ -	14.50	7.14%	25.00	4.00%	\$ 16,427	\$ 827	\$ -	\$ 17,254	\$ 12,707	\$ 4,543
1665	Meters (Smart Meters)	\$ -	\$ -	\$ 683,616	\$ 16,670	\$ 666,946	\$ -	\$ -	12.00	8.33%	15.00	6.67%	\$ -	\$ 44,463	\$ -	\$ 44,463	\$ 43,797	\$ 666
1605	Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1608	Buildings & Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1610	Leasehold Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1615	Office Furniture & Equipment (10 years)	\$ 9,103	\$ 9,103	\$ 10,895	\$ 1,848	\$ 9,048	\$ 2,000	\$ 779	12.84%	10.00	10.00%	\$ 1,189	\$ 895	\$ 189	\$ 2,173	\$ 2,031	\$ 142	
1615	Office Furniture & Equipment (5 years)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1620	Computer Equipment - Hardware	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1620	Computer Equip. Hardware(Post Mar. 22/04)	\$ 12,678	\$ 1,753	\$ 10,925	\$ 36,962	\$ 29,347	\$ 7,615	\$ 2,000	2.83	35.34%	5.00	20.00%	\$ 3,890	\$ 1,523	\$ 200	\$ 5,614	\$ 4,700	\$ 894
1620	Computer Equip. Hardware(Post Mar. 19/07)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1630	Transportation Equipment (5 years)	\$ 34,927	\$ 34,927	\$ 35,425	\$ 103,855	\$ 68,430	\$ 355,000	\$ 4,100	24.39%	8.00	12.50%	\$ 8,519	\$ 8,994	\$ 22,188	\$ 22,193	\$ 22,188	\$ 35	
1630	Transportation Equipment (10 years)	\$ 18,189	\$ 18,189	\$ 89,539	\$ 31,183	\$ 58,356	\$ -	\$ 3,000	33.33%	5.00	20.00%	\$ 6,063	\$ 11,671	\$ -	\$ 17,734	\$ 17,908	\$ 174	
1640	Tools, Shop & Garage Equipment	\$ 15,953	\$ 15,953	\$ 32,267	\$ 23,824	\$ 8,443	\$ 5,000	\$ 6,177	16.21%	10.00	10.00%	\$ 2,583	\$ 855	\$ 289	\$ 3,095	\$ 2,895	\$ 290	
1645	Measurement & Testing Equipment	\$ 3,920	\$ 3,920	\$ 21,514	\$ 9,921	\$ 11,711	\$ -	\$ 2,661	37.17%	10.00	10.00%	\$ 1,197	\$ 1,171	\$ -	\$ 2,368	\$ 2,151	\$ 215	
1650	Power Operated Equipment(5 years)	\$ 20,231	\$ 20,231	\$ 85,090	\$ 85,090	\$ 5,877	\$ 17,041	\$ 8,000	12.50%	8.00	12.50%	\$ 3,447	\$ 10,936	\$ -	\$ 14,083	\$ 13,318	\$ 765	
1650	Power Operated Equipment(10 years)	\$ 2,459	\$ 2,459	\$ 15,733	\$ 4,635	\$ 10,798	\$ -	\$ 3,651	27.49%	5.00	20.00%	\$ 874	\$ 2,195	\$ -	\$ 2,833	\$ 3,003	\$ 169	
1655	Communications Equipment	\$ 6,980	\$ 6,980	\$ 17,967	\$ 12,581	\$ 6,316	\$ -	\$ 4,561	21.88%	10.00	10.00%	\$ 1,524	\$ 492	\$ -	\$ 2,016	\$ 1,955	\$ 61	
1655	Communication Equipment (Smart Meters)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1660	Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1670	Load Management Controls Customer Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1675	Load Management Controls Utility Premises	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1680	System Supervisor Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1685	Miscellaneous Fixed Assets	\$ 6,711	\$ 276	\$ 6,435	\$ 4,821	\$ 7,507	\$ 2,686	\$ 5,377	19.62%	10.00	10.00%	\$ 1,199	\$ 399	\$ -	\$ 930	\$ 893	\$ 37	
1690	Other Tangible Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	-	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1695	Contributions & Grants	\$ 681,468	\$ 681,468	\$ 180,436	\$ 180,436	\$ 190,436	\$ 29,000	\$ 3,451	34.51%	40.00	2.50%	\$ 23,492	\$ 4,781	\$ -	\$ 28,280	\$ 31,626	\$ 3,396	
2440	Deferred Revenue	\$ -	\$ -	\$ 240,209	\$ 240,209	\$ 30,000	\$ 30,000	\$ 0.00%	0.00%	40.00	2.50%	\$ -	\$ 6,905	\$ 379	\$ 6,980	\$ 7,668	\$ 1,088	
<b>Total</b>		\$ 4,451,732	\$ 198,448	\$ 4,253,284	\$ 2,992,193	\$ 321,354	\$ 2,276,839	\$ 588,329					\$ 166,711	\$ 108,954	\$ 25,293	\$ 300,958	\$ 291,686	\$ 9,272

2  
 3 The depreciation expense variances in the above tables are well below the materiality threshold on  
 4 an individual asset and aggregate basis, therefore no explanations are provided.

5

1 **4.5 Taxes or Payments in Lieu of Taxes (PILs) and Property Taxes**

2 SLHI makes payments in lieu of taxes (“PILs”) based on its taxable income, and files returns  
3 annually. There are no outstanding audits, reassessments or disputes in regards to tax returns filed  
4 by SLHI.

5 The entire amount of PILs payable is included in the revenue requirement as SLHI does not have  
6 any non-utility activities.

7 For the inclusion of the 2018 PILs amount for rates, SLHI completed the OEB Tax work form. PILs  
8 have been calculated under the MIFRS accounting policies.

9 The calculated 2018 Test year PILs amount is \$19,554.

10 The following table summarizes SLHI’s grossed up taxes of \$23,005.

11 SLHI’s latest historical tax return (2016) is included in this Exhibit as Appendix 4D. The financial  
12 statements are the same as filed in Exhibit 1 section 1.8, Appendix 1I.

13 SLHI does not have any loss carry forwards.

14 SLHI’s completed Board’s PILs Workform included as Appendix 4E.

15 The following tables support the calculation of the 2018 Test Year Net Income, and are consistent  
16 with the Board’s PILs Workform for 2018 Filers.

17

1

**Table 4-24: Taxable Income 2018 Test Year**

<b>Taxable Income - Test Year</b>		Working Paper Reference	Test Year Taxable Income
<b>Net Income Before Taxes</b>		<u>A.</u>	215,422
	<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		290,790
Loss on disposal of assets	111		16,000
Non-deductible meals and entertainment expense	121		2,640
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>	0
Reserves from financial statements - balance at end of year	126	<u>T13</u>	0
<b>Total Additions</b>			<b>309,430</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	<u>T8</u>	394,492
Terminal loss from Schedule 8	404		
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	<u>T13</u>	0
Reserves from financial statements - balance at beginning of year	414	<u>T13</u>	0
Financing fees for tax ITA 20(1)(e) and (e.1)			
<b>Total Deductions</b>		calculated	<b>394,492</b>
<b>NET INCOME FOR TAX PURPOSES</b>		calculated	<b>130,360</b>
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331	<u>T4</u>	0
Net-capital losses of preceding taxation years (Please show calculation)	332	<u>T4</u>	0
Limited partnership losses of preceding taxation years from Schedule 4	335		
<b>REGULATORY TAXABLE INCOME</b>		calculated	<b>130,360</b>

2



1 SLHI acquired assets from Hydro One in 2017 due to the elimination of long term transfer  
2 agreements. The value of the assets was \$147,842 and was allocated to Class 47 – Distribution  
3 System – post February 2005 in Schedule 8 – CCA for 2017.

4 SLHI has forecasted the 2017 Bridge year property taxes using actual property tax billings for the  
5 year at \$5,294. The 2018 property tax has been forecasted at \$5,394 using the OEB approved  
6 inflation rate of 1.9% since the actual increases are not known at the time of the application.

7 SLHI has recorded Property Tax in account 6105 for the 2018 Test Year as defined in the APH.

#### 8 **4.5.1 Non-recoverable and Disallowed Expenses**

9 SLHI has no non-recoverable disallowed expenses included in its proposed revenue requirement.

#### 10 **4.6 Conservation and Demand Management**

11 In collaboration with the Northwest Group (Atikokan Hydro Inc., Fort Frances Power Corp., Kenora  
12 Hydro, Sioux Lookout Hydro and Thunder Bay Hydro Electricity Distribution Inc.), SLHI delivers  
13 CDM programs in accordance with the CDM Code, and has no OEB approved programs. In the 2010-  
14 2014 CDM portfolio and the present 2015-2020 CDM portfolio; the emphasis is on IESO residential  
15 and general service customers.

16 SLHI will not be applying for recovery of CDM programs through distribution rates as known CDM  
17 activity is funded through IESO-contracted Province-Wide CDM Programs or through OEB-  
18 approved CDM programs.

19 SLHI tracks these funds in non-distribution revenue and expense accounts as per guidance in  
20 Chapter 5, Accounting Treatment of the CDM Code.

21 The IESO confirmed final verified results from 2011-2014 can be found in this Exhibit under  
22 Appendix 4F: SLHI 2011-2014 Final IESO CDM Results. The IESO final verified results for 2015 are  
23 found in Appendix 4G: SLHI 2015 Final IESO CDM Results.

#### 24 **4.6.1 Lost Revenue Adjustment Mechanism**

25 For CDM programs delivered within 2011-2014, the Board established Account 1568 as LRAM  
26 Variance Account (LRAMVA) to capture the variance between the Board approved CDM forecast  
27 and the actual results at the customer rate class level. In accordance with Filing Requirements, SLHI



1 completed the LRAMVA Work Form released by the Board on July 18, 2017 to determine the  
 2 LRAMVA. The live excel workbook has been filed with the Board. The Summary of SLHI's lost  
 3 revenue per rate class is as follows in the table below. Details of the calculations are found in the  
 4 LRAMVA Workform which is submitted in live excel format with the application. This will be  
 5 discussed in greater detail in section 4.6.2.

6 **Table 4-27: LRAMVA Work Form Summary Table**

Description	LRAMVA Previously Claimed	Residential	GS<50 kW	GS > 50 to 4,999 Kw	Street Lighting	Unmetered Scattered Load
		kWh	kWh	kW	kW	kWh
2011 Actuals	<input type="checkbox"/>	\$589.75	\$48.49	\$0.00	\$0.00	\$0.00
2011 Forecast		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount Cleared						
2012 Actuals	<input type="checkbox"/>	\$956.17	\$470.91	\$0.00	\$0.00	\$0.00
2012 Forecast		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount Cleared						
2013 Actuals	<input type="checkbox"/>	\$1,777.11	\$1,884.59	\$0.00	\$0.00	\$0.00
2013 Forecast		(\$5,473.27)	(\$1,483.79)	(\$1,302.32)	(\$611.11)	(\$1.60)
Amount Cleared						
2014 Actuals	<input type="checkbox"/>	\$4,577.93	\$2,256.04	\$170.77	\$0.00	\$0.00
2014 Forecast		(\$5,831.34)	(\$1,447.15)	(\$1,240.66)	(\$627.27)	(\$1.62)
Amount Cleared						
2015 Actuals	<input type="checkbox"/>	\$5,756.56	\$2,272.15	\$202.41	\$12,433.52	\$0.00
2015 Forecast		(\$5,933.64)	(\$1,465.47)	(\$1,244.59)	(\$654.40)	(\$1.63)
Amount Cleared						
Carrying Charges		(\$64.64)	\$58.27	(\$68.75)	\$28.20	(\$0.09)
<b>Total LRAMVA Balance</b>		<b>-\$3,645</b>	<b>\$2,594</b>	<b>-\$3,483</b>	<b>\$10,569</b>	<b>-\$7</b>

7  
 8 **4.6.2 LRAM Variance Account (LRAMVA)**

9 On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the "Directive") to  
 10 the Board regarding electricity CDM targets to be met by licensed electricity distributors. The  
 11 Directive required that the Board amend the licenses of distributors to add, as a condition of  
 12 license, the requirement for distributors to achieve reductions in electricity demand through the  
 13 delivery of CDM programs over a four year period beginning January 1, 2011. Section 12 of the  
 14 Directive required "That the Board have regard to the objective that lost revenues that result from  
 15 CDM Programs should not act as a disincentive to a distributor." On April 26, 2012, the Board issued  
 16 Guidelines for Electricity Distributor Conservation and Demand Management ("CDM Guidelines").  
 17 In keeping with the Directive, the Board adopted a mechanism to capture the difference between  
 18 the results of actual, verified impacts of authorized CDM activities undertaken by distributors  
 19 between 2011 and 2014 and the level of activities embedded into rates through the distributors  
 20 load forecast in an LRAM variance account 1568.

21 SLHI confirms that the LRAMVA is based on the verified savings results that are supported by  
 22 SLHI's Final CDM Annual Report and Persistence Savings Report issued by the IESO. A copy of the

1 IESO 2011-2014 Final Results Report is provided in Appendix 4F, and the 2011-2014 CDM  
 2 Persistence report is provided in Appendix 4H. Also the IESO Final 2015 Annual Verified Results  
 3 Report is included in Appendix 4G and the 2015 CDM Persistence Report as Appendix 4I. SLHI  
 4 confirms it has relied on the most recent input assumptions available at the time of program  
 5 evaluation.

6 This is the first time SLHI is applying to dispose of the LRAMVA, therefore an amount of \$6,030 is  
 7 requested to be disposed for the years 2011 to 2015 over a one year disposition. This includes prior  
 8 year savings from 2011 to 2014 and is detailed in the LRAMVA Workform.

9 Table 4-28 shows the principal and carrying charges amounts by rate class and the resultant rate  
 10 riders for each rate class. Since SLHI is applying to remove the Unmetered Load Rate Class, it is not  
 11 included in the table and the amount was also immaterial at \$(5).

12 **Table 4-28: Calculation of LRAMVA Rate Riders**

Customer Class	Principal (\$)	Carrying Charges (\$)	Total LRAMVA (\$)	Billing Unit	kWh/kW	Rate Rider
Residential	-\$3,581	-\$65	-\$3,645	kWh	32,918,746	-0.0001
General Service < 50 kW	\$2,536	\$58	\$2,594	kWh	11,931,508	0.0002
General Service 50 to 4,999 kW	-\$3,414	-\$69	-\$3,483	kWh	27,063,250	-0.0001
Street Lighting	\$10,541	\$28	\$10,569	kWh	150,597	0.0702
<b>Total</b>	<b>\$6,082</b>	<b>-\$47</b>	<b>\$6,035</b>			

13  
 14 The forecast CDM savings of 1,086,257 kWh included in the LRAMVA calculation were determined  
 15 in SLHI's 2013 Cost of Service Application and approved in the Board's Decision EB-2012-0165  
 16 page 7. The allocation of the forecasted savings were determined in SLHI's application EB-2012-  
 17 0165, Exhibit 3, Tab 2, Schedule 1 page 16.

18 Actual CDM Savings were determined based on final verified results and the specific programs  
 19 which were either residential or commercial programs. There was only two Efficiency Equipment  
 20 Replacement Program completed in 2015, one was the street light program with savings of 372,016  
 21 kWh and the other was for a retrofit of a General Service > 50 kW customer of 20,682 kWh.  
 22 Therefore 95% of the savings are allocated to the Street Lighting class, with the remaining 5% to

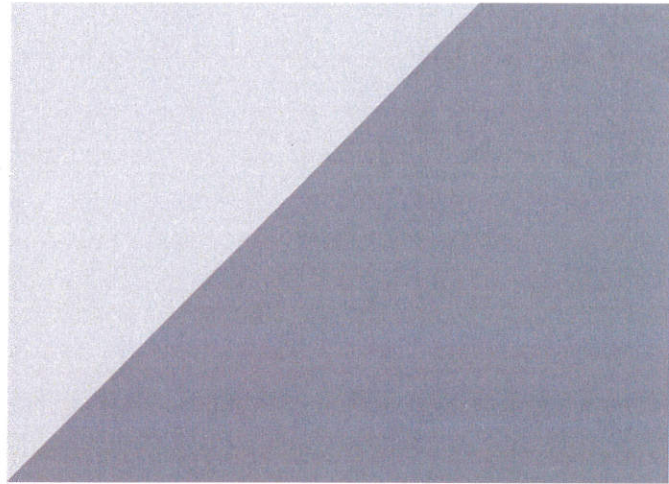
1 the General Service > 50 Kw rate class. Since these results were reflected in the final 2015 verified  
2 results no additional documentation is required.

3

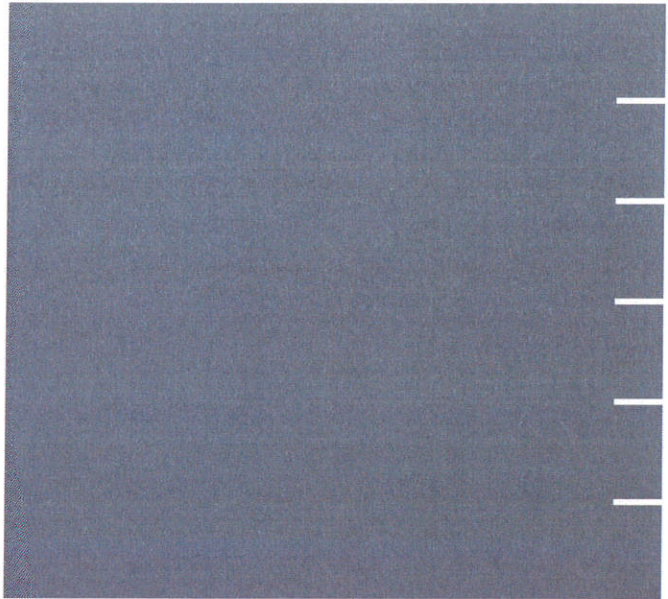
**Appendix 4A: SLHI Actuarial Valuation Report as at December 31, 2015**

COLLINS BARROW TORONTO

# ACTUARIAL SERVICES



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## SIoux LOOKOUT HYDRO INC.

Report on the Actuarial Valuation of  
Post-Retirement Non-Pension and  
Accumulating Vested Sick Leave  
Benefits

**As at December 31, 2015**

**April 29, 2016 – Revised Final**



**Collins Barrow**

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## EXECUTIVE SUMMARY

### PURPOSE

Collins Barrow Toronto Actuarial Services Inc. was engaged by Sioux Lookout Hydro Inc. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension and accumulating vested sick leave benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2015. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards (the "IFRS") guidelines for post-retirement non-pension and accumulating vested sick leave benefits as outlined in the amendments to the International Accounting Standard 19 – Employee Benefits ("IAS 19") issued in June 2011.

This is the first such valuation being prepared for the Corporation.

The purpose of this valuation is threefold:

- i) to determine the Corporation's liabilities in respect of post-retirement non-pension and sick leave benefits at December 31, 2015;
- ii) to determine the expense to be recognized in the income statement for fiscal year 2016; and
- iii) to provide all other pertinent information necessary for compliance with IAS 19.

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.

**SUMMARY OF KEY RESULTS**

The key results of this actuarial valuation as at December 31, 2015 are shown below:

	<b>Post-Retirement (December 31, 2015)</b>	<b>Vested Sick Leave (December 31, 2015)</b>
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in Receipt of Benefits	38,100	n/a
b) Fully Eligible Actives	12,000	n/a
c) Not Fully Eligible Actives	12,900	n/a
<b>Total PV DBO</b>	<b>63,000</b>	<b>63,300</b>

	<b>Post-Retirement (CY 2016)</b>	<b>Vested Sick Leave (CY 2016)</b>
Current Service Cost	1,200	2,900
Interest Cost	2,500	2,700
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>3,700</b>	<b>5,600</b>



## ACTUARIAL CERTIFICATION

An actuarial valuation has been performed on the post-retirement non-pension and accumulating vested sick leave benefit plans sponsored by Sioux Lookout Hydro Inc. (the "Corporation") as at December 31, 2015, 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 and vested sick leave 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 December 31, 2015 that would have a significant effect on our valuation.

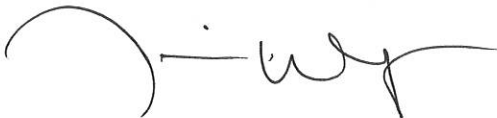
The latest date on which the next actuarial valuation should be performed is December 31, 2018. If any supplemental advice or explanation is required, please advise the undersigned.

Respectfully submitted,

### **COLLINS BARROW TORONTO ACTUARIAL SERVICES INC.**



**Stanley Caravaggio, FSA FCIA**  
Senior Manager



**Jamie Wong**  
Actuarial Analyst

Toronto, Ontario

April 29, 2016

## SECTION A— VALUATION RESULTS

Table A - 1 shows the key valuation results of the valuation.

Table A - 2 shows the sensitivity of the valuation results to certain changes in assumptions. We have shown a change to the assumed retirement age from age 59 to 57, and an increase/decrease in the discount rate by 1% per annum.

**VALUATION RESULTS**

**Table A.1—Valuation Results**

	<b>Post-Retirement (December 31, 2015)</b>	<b>Vested Sick Leave (December 31, 2015)</b>
Present Value of Defined Benefit Obligation (PV DBO)		
a) People in Receipt of Benefits	38,100	n/a
b) Fully Eligible Actives	12,000	n/a
c) Not Fully Eligible Actives	12,900	n/a
<b>Total PV DBO</b>	<b>63,000</b>	<b>63,300</b>

	<b>Post-Retirement (CY 2016)</b>	<b>Vested Sick Leave (CY 2016)</b>
Current Service Cost	1,200	2,900
Interest Cost	2,500	2,700
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>3,700</b>	<b>5,600</b>
Actuarial (Gains)/Losses	n/a	n/a
<b>Defined Benefit Cost Recognized in Other Comprehensive Income</b>	<b>n/a</b>	<b>n/a</b>
<b>Total Defined Benefit Cost</b>	<b>3,700</b>	<b>5,600</b>
<b>Expected Benefit Payments</b>	<b>7,300</b>	<b>200</b>

The benefit payments for CY 2016 are based on the estimated payments to be made for those expected to be eligible for benefits.

**SENSITIVITY ANALYSIS****Table A.2—Sensitivity Analysis**

	<b>Post-Retirement (December 31, 2015)</b>			
	<b>Valuation Results</b>	<b>Retirement Age 57</b>	<b>Discount Rate 5.2%</b>	<b>Discount Rate 3.2%</b>
Present Value of Defined Benefit Obligation (PV DBO)				
a) People in Receipt of Benefits	38,100	38,100	34,000	43,100
b) Fully Eligible Actives	12,000	11,900	10,000	14,700
c) Not Fully Eligible Actives	12,900	12,800	9,300	18,400
<b>Total PV DBO</b>	<b>63,000</b>	<b>62,800</b>	<b>53,300</b>	<b>76,200</b>
CY 2016 Current Service Cost	1,200	1,200	900	1,800
CY 2016 Interest Cost	2,500	2,500	2,600	2,300

	<b>Vested Sick Leave (December 31, 2015)</b>			
	<b>Valuation Results</b>	<b>Retirement Age 57</b>	<b>Discount Rate 5.2%</b>	<b>Discount Rate 3.2%</b>
Present Value of Defined Benefit Obligation (PV DBO)	63,300	64,900	59,800	67,300
CY 2016 Current Service Cost	2,900	3,000	2,600	3,300
CY 2016 Interest Cost	2,700	1,900	3,100	2,100

## **SECTION B— PLAN PARTICIPANTS**

Table B – 1 sets out the summary information with respect to the plan participants valued in the report.

**PARTICIPANT DATA****Table B.1—Participant Data**

Membership data as at December 31, 2015 was received from the Corporation via e-mail and included information such as name, sex, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

We have reviewed the data and for reliability for use in the 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
- Salaries less than \$20,000 per year, or greater than \$250,000 per year
- Ages under 18 or over 100
- Accumulation of sick leave credits exceeding the allowable rates of accumulation
- Payouts of sick leave banks exceed the allowable levels of payout
- Abnormal levels of benefits and/or premiums for post-retirement non-pension benefits
- Duplicate records

**Active Employees**

	December 31, 2015		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Number of Employees	7	2	9
Avg. Length of Service	10.1	17.0	11.7

**Count as of December 31, 2015**

Age Band	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	3	-	3	-	-	-
30 - 35	-	-	-	-	-	-
36 - 40	1	-	1	-	-	-
41 - 45	1	1	2	-	-	-
46 - 50	-	1	1	-	-	-
51 - 55	-	-	-	-	-	-
56 - 60	1	-	1	1	-	1
61 - 65	-	-	-	-	-	-
66 - 70	-	-	-	-	-	-
71 - 75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>1</b>

**Average Service as of December 31, 2015**

Age Band	Active Lives - Not Fully Eligible			Active Lives - Fully Eligible		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	5.0	-	5.0	-	-	-
30 - 35	-	-	-	-	-	-
36 - 40	17.1	-	17.1	-	-	-
41 - 45	3.3	20.4	11.9	-	-	-
46 - 50	-	13.6	13.6	-	-	-
51 - 55	-	-	-	-	-	-
56 - 60	7.9	-	7.9	27.7	-	27.7
61 - 65	-	-	-	-	-	-
66 - 70	-	-	-	-	-	-
71 - 75	-	-	-	-	-	-
Greater than 75	-	-	-	-	-	-
<b>Total</b>	<b>7.2</b>	<b>17.0</b>	<b>9.7</b>	<b>27.7</b>	<b>-</b>	<b>27.7</b>

	December 31, 2015
Total annual pay	\$703,800
Average annual pay	\$78,200

**People in Receipt of Post-Retirement Non-Pension Benefits**

	December 31, 2015		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Number of Members	1	2	3

**Expected Annual Benefit Payments for CY 2016**

<b>Age Band</b>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Less than 30	-	-	-
30 - 35	-	-	-
36 - 40	-	-	-
41 - 45	-	-	-
46 - 50	-	-	-
51 - 55	-	-	-
56 - 60	-	-	-
61 - 65	6,717	-	6,717
66 - 70	-	84	84
71 - 75	-	-	-
Greater than 75	-	544	544
<b>Total</b>	<b>6,717</b>	<b>629</b>	<b>7,345</b>



## SECTION C— SUMMARY OF ACTUARIAL METHOD AND ASSUMPTIONS

### ACTUARIAL METHOD

The aim of an actuarial valuation of post-retirement non-pension and accumulating vested sick leave 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, sick leave utilization, salary rate increases, 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 Present Value of 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 when future salary levels or cost escalation affect the amount of the employee's future benefits. Under this method, the projected 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 and ends on the date when further service by the employee will lead to no material amount of further 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 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.

For health and dental benefits, the Corporation has selected the premium rates charged to retirees as management's best estimate of the benefits costs to be incurred. The total monthly premium rates for the one retiree receiving these benefits, inclusive of premium taxes, are as follows:

Effective Date	Health Single	Health Family	Dental Single	Dental Family
Jan. 1, 2016 – Dec. 31, 2016	\$ 143.64	\$ 369.88	\$ 58.05	\$ 162.59

The above premium rates were provided by the Corporation and represent the rates at 100%, prior to any cost-sharing provisions.

The PV DBO at December 31, 2015 is based on membership data and management's best estimate assumptions at December 31, 2015.

**MANAGEMENT’S BEST ESTIMATE ASSUMPTIONS**

The following are management’s best estimate economic and demographic assumptions as at December 31, 2015.

**ECONOMIC ASSUMPTIONS**

**Consumer Price Index**

The consumer price index is assumed to be 2.00% per annum.

**Discount Rate**

The rate used to discount future benefits is assumed to be 4.20% per annum as at December 31, 2015. This rate is based on the yield on high quality bonds at the date of the valuation. It has been developed using the Corporation’s expected projected benefit cash flows for post-retirement non-pension benefits and the December 31, 2015 spot rate curve published by Fiera Capital.

**Salary Increase Rate**

The rate used to increase salaries is assumed to be 2.50% per annum. This rate reflects the expected Consumer Price Index adjusted for productivity, merit and promotion adjusted for company-specific information.

**Claims Cost Trend Rate**

The rates used to project health and dental benefits costs into the future are assumed to be as follows:

<b>End of Year</b>	<b>Health Trends</b>	<b>Dental Trends</b>
2016	6.50%	4.50%
2017	6.25%	4.50%
2018	6.00%	4.50%
2019	5.75%	4.50%
2020	5.50%	4.50%
2021	5.25%	4.50%
2022	5.00%	4.50%
2023	4.75%	4.50%
2024 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 CPM Improvement Scale B1-2014. Mortality rates are applied on a sex-distinct basis.

### Rates of Withdrawal

Termination of employment is assumed to be in accordance with the following withdrawal table, which was compiled using withdrawal experience for a group of local distribution companies and municipalities for which data was available:

Age Bucket	Withdrawal Rate
18 – 29	3.50%
30 – 34	2.50%
35 – 39	2.15%
40 – 49	1.75%
50 – 54	1.40%

### Retirement Age

All active employees are assumed to retire at age 59 (or immediately if currently over age 59), which was based on the Corporation's retirement experience as well as a seven year retirement experience study on a group of local distribution companies for which data was available. The assumed retirement age of 59 was increased, if necessary, to the minimum of the age at which employees reach the 20 year service requirement for the MROO retirement benefits plan and age 65.

### Disability

No provision was made for future disability.

### Sick Leave Accrual and Utilization

The following utilization metrics have been chosen based on the average experience of the Corporation's employees over the period from 2011 to 2015. These figures have been used in our calculations to project the future sick leave bank hours accrued by employees.

	% of Employees	Average Utilization (hrs)
Employees exceeding annual accrual	4.4%	409
Employees not exceeding annual accrual	95.6%	19

To project future sick leave, a probability distribution is used for future utilization of sick leave hours. This distribution assigns likelihoods to utilization levels, and is the basis for the projection. For example, the assumption above indicates that there is a 4.4% chance an employee will use 409 sick leave hours in a year, and a 95.6% chance an employee will use 19 sick leave hours in a year.

The accrual of sick leave hours is 135 hours for employees working 7.5 hours per day, and 144 hours for employees working 8 hours per day based on the benefit plan accrual provisions for a full year of service.

## **OTHER ASSUMPTIONS**

### **Family/Single Coverage**

It is assumed that the coverage type as at December 31, 2015, as provided by the Corporation, will remain the same until the employee reaches the assumed retirement age. For family coverage, it is assumed that the retiree has a spouse of opposite gender and no other dependents. Male spouses are assumed to be three years older than female spouses.

### **MROO Benefits Plan Enrolment**

It is assumed that all future retirees will enroll in the MROO Retirement Benefits Plan if they are eligible to upon retirement.

### **Expenses and Taxes**

We have assumed 10% of benefits is required for the cost of sponsoring the program for life insurance. We have assumed taxes and expenses are included in the premium rates for health benefits.

## **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.

### **GOVERNING DOCUMENTS**

The program is governed by the following documents:

- Collective Agreement between the Sioux Lookout Hydro Incorporated and Power Workers' Union CUPE Local #1000, effective April 1, 2013 to March 31, 2016
- The MEARIE Group Employee Benefit Program Booklet Schedule 1 (Benefits Table) for Sioux Lookout Hydro Class 2 (Retirees)

What follows is only a summary of the post retirement non-pension and accumulating vested sick leave benefits program. For a complete description, please refer to the above-noted documents.

### **ELIGIBILITY**

All employees are eligible for post-retirement life insurance. Only one current retiree is eligible for post-retirement extended health and dental benefits.

Employees with at least twenty (20) years of service are eligible for a lump sum payment at retirement if they enroll in the MROO retirement benefits plan.

Employees with at least twenty (20) years of service are eligible for a lump sum accumulating vested sick leave benefit at death or retirement.

### **PARTICIPANT CONTRIBUTIONS**

The Corporation shall pay 100% of the cost of the post-retirement life, health, dental, MROO, and accumulating vested sick leave benefits for eligible retirees.

### **PAST SERVICE**

Past service is defined as continuous service prior to joining the plan if the participant was employed by another local distribution company prior to 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**

Eligible employees are entitled to the following post-retirement life insurance coverage, as per the MEARIE plan, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings reducing by 2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings.  Reduction occurs on anniversary date of retirement.	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.

**Health and Dental Benefits**

Eligible employees are entitled to post-retirement health and dental benefits to age 65. Only one current retiree is eligible for these benefits.

**MROO Retirement Benefits**

Eligible employees are entitled to receive a one-time payment at retirement of:

- \$2,712.00 for a retiree enrolling in the MROO family coverage plan
- \$1,872.00 for a retiree enrolling in the MROO single coverage plan

**Vested Sick Leave Benefits**

Accumulated sick leave credits for all employees accumulate at a rate of one and one-half days per month to a maximum of two hundred (200) days. Sick leave credits are paid out in the event of retirement or death.

The plan provides a portion of an individual's sick leave equal to one-half of his/her accumulated sick leave credits providing such an amount is not in excess of one-half year's earnings at the rate received by him/her immediately prior to retirement or death.

## SECTION E— EMPLOYER CERTIFICATION

### Post-Retirement Non-Pension and Sick Leave Benefit Plan of Sioux Lookout Hydro Inc. Actuarial Valuation as at December 31, 2015

I hereby confirm as an authorized signing officer of the administrator of the Post-Retirement Non-Pension and Sick Leave Benefit Plan of Sioux Lookout Hydro Inc. 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, 2015.

**SIOUX LOOKOUT HYDRO INC.**

Apr 27 / 16  
Date

[Signature]  
Signature

Deanne Kulchyski  
Name

President / CEO  
Title





**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Post-Retirement Non-Pension Benefits**  
**REVISED FINAL**

	CY 2014	CY 2015	Projected * CY 2016	Projected * CY 2017
Discount Rate at January 1	4.20%	4.20%	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	n/a	n/a	6.50%	6.50%
Ultimate Rate	n/a	n/a	4.50%	4.50%
Year Ultimate Rate Reached	n/a	n/a	2024	2024
Salary Scale Rate	n/a	n/a	2.50%	2.50%
Assumed Increase in Employer Contributions	actuals	actuals	expected **	expected **

**A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet**

Net Defined Benefit Liability/(Asset) as at January 1	69,405	66,191	62,955	59,328
Defined Benefit Cost Recognized in Income Statement	3,901	3,815	3,723	3,719
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-	-	-
Benefits Paid by the Employer	(7,115)	(7,051)	(7,350)	(2,725)
<b>Net Defined Benefit Liability/(Asset) as at December 31</b>	<b>66,191</b>	<b>62,955</b>	<b>59,328</b>	<b>60,322</b>

**B. Determination of Defined Benefit Cost**
**B1. Determination of Defined Benefit Cost Recognized in Income Statement**

Current Service Cost	1,135	1,183	1,233	1,285
Interest Cost	2,766	2,632	2,490	2,435
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>3,901</b>	<b>3,815</b>	<b>3,723</b>	<b>3,719</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	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-	-
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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Defined Benefit Cost</b>	<b>3,901</b>	<b>3,815</b>	<b>3,723</b>	<b>3,719</b>

**C. Change in the Present Value of Defined Benefit Obligation**

Present Value of Defined Benefit Obligation as at January 1	69,405	66,191	62,955	59,328
Current Service Cost	1,135	1,183	1,233	1,285
Interest Cost	2,766	2,632	2,490	2,435
Benefits Paid	(7,115)	(7,051)	(7,350)	(2,725)
Net Actuarial Loss/(Gain)	-	-	-	-
<b>Present Value of Defined Benefit Obligation as at December 31</b>	<b>66,191</b>	<b>62,955</b>	<b>59,328</b>	<b>60,322</b>

\* Projected CY 2016 to 2017 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.

**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Post-Retirement Non-Pension Benefits**  
**REVISED FINAL**

	CY 2014	CY 2015	Projected * CY 2016	Projected * CY 2017
Discount Rate at January 1	4.20%	4.20%	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	n/a	n/a	6.50%	6.50%
Ultimate Rate	n/a	n/a	4.50%	4.50%
Year Ultimate Rate Reached	n/a	n/a	2024	2024
Salary Scale Rate	n/a	n/a	2.50%	2.50%
Assumed Increase in Employer Contributions	actuals	actuals	expected **	expected **

**D. Calculation of Component Items**

<b>Interest Cost</b>				
Present Value of Defined Benefit Obligation as at January 1	69,405	66,191	62,955	59,328
Benefits Paid	<u>(3,558)</u>	<u>(3,525)</u>	<u>(3,675)</u>	<u>(1,363)</u>
Accrued Benefits	65,847	62,665	59,280	57,965
Interest Cost	2,766	2,632	2,490	2,435
<b>Expected Present Value of Defined Benefit Obligation as at December 31</b>				
Present Value of Defined Benefit Obligation as at January 1	69,405	66,191	62,955	59,328
Current Service Cost	1,135	1,183	1,233	1,285
Benefits Paid	<u>(7,115)</u>	<u>(7,051)</u>	<u>(7,350)</u>	<u>(2,725)</u>
Interest Cost	2,766	2,632	2,490	2,435
Expected Present Value of Defined Benefit Obligation as at December 31	<u>66,191</u>	<u>62,955</u>	<u>59,328</u>	<u>60,322</u>

**E. Net Actuarial Loss/(Gain)**

<b>Net Actuarial Loss/(Gain) as at December 31</b>				
Expected Present Value of Defined Benefit Obligation	66,191	62,955	59,328	60,322
Actual Present Value of Defined Benefit Obligation	<u>66,191</u>	<u>62,955</u>	<u>59,328</u>	<u>60,322</u>
Net Actuarial Loss/(Gain) as at December 31	-	-	-	-

\* Projected CY 2016 to 2017 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.

**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Vested Sick Leave Benefits**  
**REVISED FINAL**

	CY 2014	CY 2015	Projected * CY 2016	Projected * CY 2017
Discount Rate at January 1	4.20%	4.20%	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	n/a	n/a	6.50%	6.50%
Ultimate Rate	n/a	n/a	4.50%	4.50%
Year Ultimate Rate Reached	n/a	n/a	2024	2024
Salary Scale Rate	n/a	n/a	2.50%	2.50%
Assumed Increase in Employer Contributions	actuals	actuals	expected **	expected **

**A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet**

Net Defined Benefit Liability/(Asset) as at January 1	53,123	58,053	63,304	68,686
Defined Benefit Cost Recognized in Income Statement	4,930	5,251	5,585	5,101
Defined Benefit Cost Recognized in Other Comprehensive Income	-	-	-	-
Benefits Paid by the Employer	-	-	(203)	(39,904)
<b>Net Defined Benefit Liability/(Asset) as at December 31</b>	<b>58,053</b>	<b>63,304</b>	<b>68,686</b>	<b>33,882</b>

**B. Determination of Defined Benefit Cost**
**B1. Determination of Defined Benefit Cost Recognized in Income Statement**

Current Service Cost	2,699	2,813	2,931	3,054
Interest Cost	2,231	2,438	2,654	2,047
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>4,930</b>	<b>5,251</b>	<b>5,585</b>	<b>5,101</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	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	-	-	-	-
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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Defined Benefit Cost</b>	<b>4,930</b>	<b>5,251</b>	<b>5,585</b>	<b>5,101</b>

**C. Change in the Present Value of Defined Benefit Obligation**

Present Value of Defined Benefit Obligation as at January 1	53,123	58,053	63,304	68,686
Current Service Cost	2,699	2,813	2,931	3,054
Interest Cost	2,231	2,438	2,654	2,047
Benefits Paid	-	-	(203)	(39,904)
Net Actuarial Loss/(Gain)	-	-	-	-
<b>Present Value of Defined Benefit Obligation as at December 31</b>	<b>58,053</b>	<b>63,304</b>	<b>68,686</b>	<b>33,882</b>

\* Projected CY 2016 to 2017 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.

**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Vested Sick Leave Benefits**  
**REVISED FINAL**

	CY 2014	CY 2015	Projected * CY 2016	Projected * CY 2017
Discount Rate at January 1	4.20%	4.20%	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31				
Initial Rate	n/a	n/a	6.50%	6.50%
Ultimate Rate	n/a	n/a	4.50%	4.50%
Year Ultimate Rate Reached	n/a	n/a	2024	2024
Salary Scale Rate	n/a	n/a	2.50%	2.50%
Assumed Increase in Employer Contributions	actuals	actuals	expected **	expected **

**D. Calculation of Component Items**

<b>Interest Cost</b>				
Present Value of Defined Benefit Obligation as at January 1	53,123	58,053	63,304	68,686
Benefits Paid	-	-	(102)	(19,952)
Accrued Benefits	<u>53,123</u>	<u>58,053</u>	<u>63,202</u>	<u>48,734</u>
Interest Cost	2,231	2,438	2,654	2,047
<b>Expected Present Value of Defined Benefit Obligation as at December 31</b>				
Present Value of Defined Benefit Obligation as at January 1	53,123	58,053	63,304	68,686
Current Service Cost	2,699	2,813	2,931	3,054
Benefits Paid	-	-	(203)	(39,904)
Interest Cost	<u>2,231</u>	<u>2,438</u>	<u>2,654</u>	<u>2,047</u>
Expected Present Value of Defined Benefit Obligation as at December 31	<u>58,053</u>	<u>63,304</u>	<u>68,686</u>	<u>33,882</u>

**E. Net Actuarial Loss/(Gain)**

<b>Net Actuarial Loss/(Gain) as at December 31</b>				
Expected Present Value of Defined Benefit Obligation	58,053	63,304	68,686	33,882
Actual Present Value of Defined Benefit Obligation	<u>58,053</u>	<u>63,304</u>	<u>68,686</u>	<u>33,882</u>
Net Actuarial Loss/(Gain) as at December 31	-	-	-	-

\* Projected CY 2016 to 2017 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.

# Memo

**To:** Deanne Kulchyski (Sioux Lookout Hydro Inc.)  
**From:** Stanley Caravaggio, Jamie Wong (Collins Barrow Toronto)  
**Date:** April 22, 2016  
**Re:** Sioux Lookout Hydro Inc. ("the Corporation") – Estimated Liability for Accumulated Sick Leave Benefits as at December 31, 2015

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As requested, this memo will summarize the results of our calculation of the estimated liability at December 31, 2015 with regards to future payments to be made in respect of its accumulated sick leave benefits to employees prior to termination, death, or retirement. Results have been prepared in accordance with the International Financial Reporting Standards guidelines for employee benefits as outlined in the amendments to the International Account Standard 19 – Employee Benefits ("IAS 19").

## RESULTS

The analysis indicates that the estimated value of future payments to be made as a result of the Corporation's employees' unused sick leave bank hours is approximately **\$34,000** as at December 31, 2015, based on the data, methodology, and assumptions detailed in this memo.

For clarity, our analysis focuses only on estimating the value of the number of projected sick leave hours that will be taken by the Corporation's employees in excess of the sick leave hours accrued by the employees during each future projection year. In other words, employees who do not use all their sick leave hours accrued in a given year and whose sick leave banks actually increase during the year would be excluded from the estimates.

The value above excludes the liability for any lump sum vested sick leave payout entitlements on death or retirement. The value of this liability is provided in our valuation report dated February 25, 2016 ("Report").

## DATA

Employee data was received from the Corporation containing salary information and current sick leave banks for active employees, along with sick leave utilization experience information for the period 2011 to 2015.

We refer you to the summary statistics of the employee data provided in Section B of the Report.

## METHODOLOGY

The aim of the estimation of accumulated sick leave benefits is to account for expected usage of accrued sick leave bank hours by employees before retirement, death, or termination, as applicable.

We have used a stochastic model to estimate the sick leave liability. With this approach, future sick leave utilization amounts (and therefore sick leave bank levels) are simulated for each member from the valuation date until retirement. The simulation is performed ten thousand times, and the results are averaged to obtain the estimated liability value of \$34,000 for all employees. The different scenarios are

generated based on the probability distribution for sick leave utilization, detailed in the assumptions section in this memo.

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 relevant valuation date. As such, future accruals of sick leave hours are not included in the estimated liability value as of each valuation date (in other words, future utilizations are only valued insofar as they use bank hours accrued prior to the valuation date).

The calculations are done on a seriatim basis using the employee data provided by the Corporation, with the total liability figure equal to the sum of the liability for each employee. Our results use present value calculations and therefore incorporate the time value of money.

## ASSUMPTIONS

Assumptions used in the calculation are the same as those used in the post-retirement non-pension and vested sick leave lump sum benefit valuations, and are outlined in Section C of the Report.

The only exception would be the sick leave accrual and utilization assumption. The below table summarizes the sick leave utilization experience for the Corporation's employees' over the period 2011 to 2015, which was used to develop the utilization assumption for our estimate:

Year	2011	2012	2013	2014	2015
# of employees at the beginning of the year	6	10	9	9	9
# of employees using hours exceeding annual accrual	0	0	0	1	1
% of employees using hours exceeding annual accrual	0%	0%	0%	11%	11%
Average # of hours used for those not exceeding annual accrual	26	10	11	23	25
Average # of hours used for those exceeding annual accrual	n/a	n/a	n/a	479	339

The experience shows that there have only been two instances in which an employee uses sick leave hours exceeding the annual accrual – once in 2014 and another in 2015. Due to the small size of the group, there are high fluctuations in the average number of sick leave hours used for each year.

We have therefore calculated the following metrics based on the average experience of the groups over the period from 2011 to 2015. These figures have been used in our calculations to estimate the additional amount that the Corporation expects to pay as a result of the unused sick leave bank hours accrued by its employees.

	% of Employees	Average Utilization (hrs)
Employees exceeding annual accrual	4.4%	409
Employees not exceeding annual accrual	95.6%	19

To project future sick leave, a probability distribution is used for future utilization of sick leave hours. This distribution assigns likelihoods to utilization levels, and is the basis for the projection. For example, the assumption above indicates that there is a 4.4% chance an employee will use 409 sick leave hours in a year, and a 95.6% chance a union employee will use 19 sick leave hours in a year.

As noted in Section C of the Report, the assumption for the accrual of sick leave hours is 135 hours for employees working 7.5 hours per day, and 144 hours for employees working 8 hours per day.

**Appendix 4B: Post-Employment Benefit and Vested Sick Leave Projections for  
2017 and 2018**

**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Post-Retirement Non-Pension Benefits**  
**FINAL**

	Projected * CY 2017	Projected * CY 2018
Discount Rate at January 1	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.50%	6.50%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2024	2024
Salary Scale Rate	2.50%	2.50%
Assumed Increase in Employer Contributions	expected **	expected **

**A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet**

Net Defined Benefit Liability/(Asset) as at January 1	59,328	59,528
Defined Benefit Cost Recognized in Income Statement	3,719	3,867
Defined Benefit Cost Recognized in Other Comprehensive Income	(794)	-
Benefits Paid by the Employer	(2,725)	(1,428)
<b>Net Defined Benefit Liability/(Asset) as at December 31</b>	<b>59,528</b>	<b>61,967</b>

**B. Determination of Defined Benefit Cost**

**B1. Determination of Defined Benefit Cost Recognized in Income Statement**

Current Service Cost	1,285	1,397
Interest Cost	2,435	2,470
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>3,719</b>	<b>3,867</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	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	(794)	-
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>(794)</b>	<b>-</b>
<b>Total Defined Benefit Cost</b>	<b>2,926</b>	<b>3,867</b>

**C. Change in the Present Value of Defined Benefit Obligation**

Present Value of Defined Benefit Obligation as at January 1	59,328	59,528
Current Service Cost	1,285	1,397
Interest Cost	2,435	2,470
Benefits Paid	(2,725)	(1,428)
Net Actuarial Loss/(Gain)	(794)	-
<b>Present Value of Defined Benefit Obligation as at December 31</b>	<b>59,528</b>	<b>61,967</b>

\* Projected CY 2017 and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.



**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Post-Retirement Non-Pension Benefits**  
**FINAL**

	Projected * CY 2017	Projected * CY 2018
Discount Rate at January 1	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.50%	6.50%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2024	2024
Salary Scale Rate	2.50%	2.50%
Assumed Increase in Employer Contributions	expected **	expected **

**D. Calculation of Component Items**

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**Interest Cost**

Present Value of Defined Benefit Obligation as at January 1	59,328	59,528
Benefits Paid	<u>(1,363)</u>	<u>(714)</u>
Accrued Benefits	57,965	58,814
Interest Cost	2,435	2,470

**Expected Present Value of Defined Benefit Obligation as at December 31**

Present Value of Defined Benefit Obligation as at January 1	59,328	59,528
Current Service Cost	1,285	1,397
Benefits Paid	<u>(2,725)</u>	<u>(1,428)</u>
Interest Cost	2,435	2,470
Expected Present Value of Defined Benefit Obligation as at December 31	60,322	61,967

**E. Net Actuarial Loss/(Gain)**

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**Net Actuarial Loss/(Gain) as at December 31**

Expected Present Value of Defined Benefit Obligation	60,322	61,967
Actual Present Value of Defined Benefit Obligation	<u>59,528</u>	<u>61,967</u>
Net Actuarial Loss/(Gain) as at December 31	(794)	-

\* Projected CY 2017 and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.

**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Vested Sick Leave Benefits**  
**FINAL**

	CY 2017	Projected * CY 2018
Discount Rate at January 1	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.50%	6.50%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2024	2024
Salary Scale Rate	2.50%	2.50%
Assumed Increase in Employer Contributions	expected **	expected **
<b>A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet</b>		
Net Defined Benefit Liability/(Asset) as at January 1	68,686	35,171
Defined Benefit Cost Recognized in Income Statement	5,101	4,658
Defined Benefit Cost Recognized in Other Comprehensive Income	1,289	-
Benefits Paid by the Employer	(39,904)	(70)
<b>Net Defined Benefit Liability/(Asset) as at December 31</b>	<b>35,171</b>	<b>39,759</b>
<b>B. Determination of Defined Benefit Cost</b>		
<b>B1. Determination of Defined Benefit Cost Recognized in Income Statement</b>		
Current Service Cost	3,054	3,182
Interest Cost	2,047	1,476
<b>Defined Benefit Cost Recognized in Income Statement</b>	<b>5,101</b>	<b>4,658</b>
<b>B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income</b>		
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	1,289	-
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>1,289</b>	<b>-</b>
<b>Total Defined Benefit Cost</b>	<b>6,389</b>	<b>4,658</b>
<b>C. Change in the Present Value of Defined Benefit Obligation</b>		
Present Value of Defined Benefit Obligation as at January 1	68,686	35,171
Current Service Cost	3,054	3,182
Interest Cost	2,047	1,476
Benefits Paid	(39,904)	(70)
Net Actuarial Loss/(Gain)	1,289	-
<b>Present Value of Defined Benefit Obligation as at December 31</b>	<b>35,171</b>	<b>39,759</b>

\* Projected CY 2017 and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.

**Sioux Lookout Hydro Inc.**  
**Estimated Benefit Expense (IAS 19)**  
**Vested Sick Leave Benefits**  
**FINAL**

	CY 2017	Projected * CY 2018
Discount Rate at January 1	4.20%	4.20%
Discount Rate at December 31	4.20%	4.20%
Health Benefit Cost Trend Rate at December 31		
Initial Rate	6.50%	6.50%
Ultimate Rate	4.50%	4.50%
Year Ultimate Rate Reached	2024	2024
Salary Scale Rate	2.50%	2.50%
Assumed Increase in Employer Contributions	expected **	expected **

**D. Calculation of Component Items**

---

**Interest Cost**

Present Value of Defined Benefit Obligation as at January 1	68,686	35,171
Benefits Paid	<u>(19,952)</u>	<u>(35)</u>
Accrued Benefits	48,734	35,136
Interest Cost	2,047	1,476

**Expected Present Value of Defined Benefit Obligation as at December 31**

Present Value of Defined Benefit Obligation as at January 1	68,686	35,171
Current Service Cost	3,054	3,182
Benefits Paid	<u>(39,904)</u>	<u>(70)</u>
Interest Cost	2,047	1,476
Expected Present Value of Defined Benefit Obligation as at December 31	<u>33,882</u>	<u>39,759</u>

**E. Net Actuarial Loss/(Gain)**

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**Net Actuarial Loss/(Gain) as at December 31**

Expected Present Value of Defined Benefit Obligation	33,882	39,759
Actual Present Value of Defined Benefit Obligation	<u>35,171</u>	<u>39,759</u>
Net Actuarial Loss/(Gain) as at December 31	1,289	-

\* Projected CY 2017 and CY 2018 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require a full actuarial review.

\*\* Based on expected benefits to be paid to those eligible for benefits.

## **Appendix 4C: SLHI Purchasing Policy**

## 06 PURCHASING

*IT IS THE POLICY OF SIOUX LOOKOUT HYDRO INC. TO MAKE ALL PURCHASES FROM THE SUPPLIER PROVIDING THE LOWEST COST FOR THE REQUIRED QUALITY AS APPROVED BY THE PRESIDENT/CEO*

- 6.1 Where possible, priority will be given to purchasing from local business.
- 6.2 Management will request price lists from a minimum of two suppliers where the amount of the purchase is not less than \$20,000.00 and normal business practices will be followed.
- 6.3 Sealed bids will be required for all purchases in excess of \$20,000.00.
- 6.4 All tenders and bids must be sealed or they will be considered void. All tenders and bids will be opened and evaluated by not less than one Management personnel and the Board Chairman or his designate. The President / CEO will accept or reject all properly received bids and all tenderers will be so notified in writing. The lowest tender will not necessarily be accepted.

**Appendix 4D: SLHI 2016 T2 Corporation Income Tax Return**

# T2 Corporation Income Tax Return

**200**

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal *Income Tax Act* and *Income Tax Regulations*. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax centre or tax services office. You have to file the return within six months after the end of the corporation's tax year.

For more information see [cra.gc.ca](http://cra.gc.ca) or Guide T4012, *T2 Corporation - Income Tax Guide*.

**055** Do not use this area

**Identification**

**Business number (BN)** ..... **001** 87053 8170 RC0001

**Corporation's name**  
**002** SIOUX LOOKOUT HYDRO INC.

**Address of head office**  
Has this address changed since the last time we were notified? ..... **010** 1 Yes  2 No   
(If **yes**, complete lines 011 to 018.)

**011** 25 FIFTH AVENUE

**012** BOX 908

City Province, territory, or state  
**015** SIOUX LOOKOUT **016** ON

Country (other than Canada) Postal code/Zip code  
**017** **018** P8T 1B3

**Mailing address** (if different from head office address)  
Has this address changed since the last time we were notified? ..... **020** 1 Yes  2 No   
(If **yes**, complete lines 021 to 028.)

**021** c/o

**022** 25 FIFTH AVENUE

**023** BOX 908

City Province, territory, or state  
**025** SIOUX LOOKOUT **026** ON

Country (other than Canada) Postal code/Zip code  
**027** **028** P8T 1B3

**Location of books and records** (if different from head office address)  
Has this address changed since the last time we were notified? ..... **030** 1 Yes  2 No   
(If **yes**, complete lines 031 to 038.)

**031** 25 FIFTH AVENUE

**032** BOX 908

City Province, territory, or state  
**035** SIOUX LOOKOUT **036** ON

Country (other than Canada) Postal code/Zip code  
**037** **038** P8T 1B3

**040** Type of corporation at the end of the tax year

1 <input checked="" type="checkbox"/> Canadian-controlled private corporation (CCPC)	4 <input type="checkbox"/> Corporation controlled by a public corporation
2 <input type="checkbox"/> Other private corporation	5 <input type="checkbox"/> Other corporation (specify, below)
3 <input type="checkbox"/> Public corporation	

If the type of corporation changed during the tax year, provide the effective date of the change ..... **043**

**To which tax year does this return apply?**

Tax year start Year Month Day <b>060</b> <input type="text" value="2016-01-01"/>	Tax year-end Year Month Day <b>061</b> <input type="text" value="2016-12-31"/>
--	--

**Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?** ..... **063** 1 Yes  2 No   
If **yes**, provide the date control was acquired ..... **065**

**Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?** ..... **066** 1 Yes  2 No

**Is the corporation a professional corporation that is a member of a partnership?** ..... **067** 1 Yes  2 No

**Is this the first year of filing after:**

Incorporation? ..... <b>070</b> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Amalgamation? ..... <b>071</b> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>

If **yes**, complete lines 030 to 038 and attach Schedule 24.

**Has there been a wind-up of a subsidiary under section 88 during the current tax year?** ..... **072** 1 Yes  2 No   
If **yes**, complete and attach Schedule 24.

**Is this the final tax year before amalgamation?** ..... **076** 1 Yes  2 No

**Is this the final return up to dissolution?** ..... **078** 1 Yes  2 No

**If an election was made under section 261, state the functional currency used** ..... **079**

**Is the corporation a resident of Canada?** **080** 1 Yes  2 No   
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.

**081**

**Is the non-resident corporation claiming an exemption under an income tax treaty?** ..... **082** 1 Yes  2 No   
If **yes**, complete and attach Schedule 91.

**If the corporation is exempt from tax under section 149, tick one of the following boxes:**

**085**

1 <input type="checkbox"/>	Exempt under paragraph 149(1)(e) or (l)
2 <input type="checkbox"/>	Exempt under paragraph 149(1)(j)
3 <input type="checkbox"/>	Exempt under paragraph 149(1)(t)
4 <input type="checkbox"/>	Exempt under other paragraphs of section 149

Do not use this area

**095** **096** **098**

**Attachments**

**Financial statement information:** Use GIF1 schedules 100, 125, and 141.

**Schedules –** Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input checked="" type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input checked="" type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered <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?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the <i>Income Tax Regulations</i> ?	<input type="checkbox"/>	29
Did the corporation have a total amount over \$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet webpages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) does the corporation have aggregate investment income at line 440?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	<input checked="" type="checkbox"/>	10
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves (other than transitional reserves under section 34.2)?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input type="checkbox"/>	
Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92



**Attachments – continued from page 2**

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year? . . . . .	<input type="checkbox"/>	T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000? . . . . .	<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 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? . . . . .	<b>270</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Is the corporation inactive? . . . . .	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity? . . . . .	<u>221122</u>	<u>Electric Power Distribution</u>	
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.	<b>284</b>	<u>HYDRO</u>	<b>285</b> <u>100.000</u> %
	<b>286</b>		<b>287</b> _____ %
	<b>288</b>		<b>289</b> _____ %
Did the corporation immigrate to Canada during the tax year? . . . . .	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year? . . . . .	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible? . . . . .	<b>293</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible . . . . .	<b>294</b>	Year Month Day <input type="text"/>	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year? . . . . .	<b>295</b>	1 Yes <input type="checkbox"/>	2 No <input type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL. . . . .	<b>300</b>	<u>62,417</u>	<u>A</u>
<b>Deduct:</b> Charitable donations from Schedule 2 . . . . .	<b>311</b>		
Cultural gifts from Schedule 2 . . . . .	<b>313</b>		
Ecological gifts from Schedule 2 . . . . .	<b>314</b>		
Gifts of medicine from Schedule 2 . . . . .	<b>315</b>		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3 . . . . .	<b>320</b>		
Part VI.1 tax deduction* . . . . .	<b>325</b>		
Non-capital losses of previous tax years from Schedule 4 . . . . .	<b>331</b>		
Net capital losses of previous tax years from Schedule 4 . . . . .	<b>332</b>		
Restricted farm losses of previous tax years from Schedule 4 . . . . .	<b>333</b>		
Farm losses of previous tax years from Schedule 4 . . . . .	<b>334</b>		
Limited partnership losses of previous tax years from Schedule 4 . . . . .	<b>335</b>		
Taxable capital gains or taxable dividends allocated from a central credit union . . . . .	<b>340</b>		
Prospector's and grubstaker's shares . . . . .	<b>350</b>		
	Subtotal	<u>62,417</u>	<u>B</u>
	Subtotal (amount A minus amount B) (if negative, enter "0")	<u>62,417</u>	<u>C</u>
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions . . . . .	<b>355</b>		<u>D</u>
<b>Taxable income</b> (amount C plus amount D) . . . . .	<b>360</b>	<u>62,417</u>	
Income exempt under paragraph 149(1)(t) . . . . .	<b>370</b>		
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) . . . . .		<u>62,417</u>	<u>Z</u>
<b>Taxable income</b> for the year from a personal services business** . . . . .		<u>62,417</u>	<u>Z.1</u>

\* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

\*\* For a taxation year that ends after 2015.

**Small business deduction**

**Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income from active business carried on in Canada from Schedule 7	400	62,417	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	62,417	B
Business limit (see notes 1 and 2 below)	410	500,000	C

- Notes:**
- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year divided by 365, and enter the result on line 410.
  - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

**Business limit reduction:**

Amount C	500,000	x	415 ***	D	=	11,250	E
Reduced business limit (amount C <b>minus</b> amount E) (if negative, enter "0")	425	500,000	F				
Business limit the CCPC assigns under subsection 125(3.2) (amount O below)	G	500,000	H				
Amount F <b>minus</b> amount G	H	500,000	H				

**Small business deduction**

Amount A, B, C, or H, whichever is the least	62,417	x	Number of days in the tax year before January 1, 2016	x	17 %	=	1		
			Number of days in the tax year	366					
Amount A, B, C, or H, whichever is the least	62,417	x	Number of days in the tax year after December 31, 2015	x	17.5 %	=	10,923		
			Number of days in the tax year	366					
Total of amounts 1 and 2 (enter amount I on line J on page 8)							430	10,923	I

- \* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- \*\* Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

**\*\*\* Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior year** minus \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current year** minus \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**Specified corporate income and assignment under subsection 125(3.2)**

	J Name of corporation receiving the income and assigned amount	K Business number of the corporation	L Income for the small business deduction given to the corporation identified in column J [under clause 125(1) (a)(i)(B)] <sup>3</sup>	M Business limit assigned to corporation identified in column J <sup>4</sup>
1.				
	Total			N
	Total			O

- Notes:**
- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
    - (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.
  - The amount of the business limit you assign cannot be greater than the amount in column L.

**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)	.....	_____	62,417	A
Lesser of amounts B9 and H9 from Part 9 of Schedule 27	.....	_____		B
Amount K13 from Part 13 of Schedule 27	.....	_____		C
Personal services business income	.....	<b>432</b>		D
Amount used to calculate the credit union deduction (amount F from Schedule 17)	.....	_____		E
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least	.....	_____	62,417	F
Aggregate investment income from line 440 on page 6*	.....	_____		G
Subtotal (add amounts B to G)		=====	62,417	H
Amount A minus amount H (if negative, enter "0")	.....	=====		I
<b>General tax reduction for Canadian-controlled private corporations</b> – Amount I multiplied by	13 %	.....	=====	J

Enter amount J on line 638 on page 8.

\* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

**General tax reduction**

**Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.**

Taxable income from page 3 (line 360 or amount Z, whichever applies)	.....	_____		K
Lesser of amounts B9 and H9 from Part 9 of Schedule 27	.....	_____		L
Amount K13 from Part 13 of Schedule 27	.....	_____		M
Personal services business income	.....	<b>434</b>		N
Amount used to calculate the credit union deduction (amount F from Schedule 17)	.....	_____		O
Subtotal (add amounts L to O)		=====		P
Amount K minus amount P (if negative, enter "0")	.....	=====		Q
<b>General tax reduction</b> – Amount Q multiplied by	13 %	.....	=====	R

Enter amount R on line 639 on page 8.

**Refundable portion of Part I tax**

**Canadian-controlled private corporations throughout the tax year**

Aggregate investment income from Schedule 7	<b>440</b>		A
Amount A	$\times$	$\frac{\text{Number of days in the tax year before January 1, 2016}}{\text{Number of days in the tax year}} \times 26 \frac{2}{3} \% =$	1
		366	
Amount A	$\times$	$\frac{\text{Number of days in the tax year after December 31, 2015}}{\text{Number of days in the tax year}} \times 30 \frac{2}{3} \% =$	2
		366	
Subtotal (amount 1 plus amount 2)			▶ B
Foreign investment income from Schedule 7	<b>445</b>		C
Amount C	$\times$	$\frac{\text{Number of days in the tax year before January 1, 2016}}{\text{Number of days in the tax year}} \times 9 \frac{1}{3} \% =$	3
		366	
Amount C	$\times$	$\frac{\text{Number of days in the tax year after December 31, 2015}}{\text{Number of days in the tax year}} \times 8 \% =$	4
		366	
Subtotal (amount 3 plus amount 4)			D
Foreign non-business income tax credit from line 632 on page 8 minus amount D (if negative, enter "0")			E
Amount B minus amount E (if negative, enter "0")			F
Foreign non-business income tax credit from line 632 on page 8			G
Number of days in the tax year before January 1, 2016	$\times$	35	5
Number of days in the tax year		366	
Number of days in the tax year after December 31, 2015	$\times$	$38 \frac{2}{3} =$	6
Number of days in the tax year		366	
Subtotal (amount 5 plus amount 6)			38.6667 H
Amount G	$\times$	$\frac{100}{38.6667} =$	I
		100	
Taxable income from line 360 on page 3			62,417 J
<b>Deduct:</b>			
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least		62,417	K
Amount I			L
Foreign business income tax credit from line 636 on page 8	$\times$	4	M
Subtotal (total of amounts K to M)			▶ 62,417 N
Subtotal (amount J minus amount N)			O
Amount O	$\times$	$\frac{\text{Number of days in the tax year before January 1, 2016}}{\text{Number of days in the tax year}} \times 26 \frac{2}{3} \% =$	7
		366	
Amount O	$\times$	$\frac{\text{Number of days in the tax year after December 31, 2015}}{\text{Number of days in the tax year}} \times 30 \frac{2}{3} \% =$	8
		366	
Subtotal (amount 7 plus amount 8)			▶ P
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)			6,553 Q
<b>Refundable portion of Part I tax</b> – Amount F, P, or Q, whichever is the least		<b>450</b>	R

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the previous tax year	460		
<b>Deduct:</b>			
Dividend refund for the previous tax year	465		
		<b>▶</b>	A
<b>Add the total of:</b>			
Refundable portion of Part I tax from line 450 on page 6			B
Total Part IV tax payable from Schedule 3			C
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	480		
		<b>▶</b>	D
<b>Refundable dividend tax on hand at the end of the tax year – Amount A plus amount D</b>			
	485		

**Dividend refund**

<b>Private and subject corporations at the time taxable dividends were paid in the tax year</b>			
Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3		150,000	E
Amount E	150,000	$\times \frac{\text{Number of days in the tax year before January 1, 2016}}{\text{Number of days in the tax year}}$	
		$\times 33 \text{ 1} / 3 \% =$	1
Amount E	150,000	$\times \frac{\text{Number of days in the tax year after December 31, 2015}}{\text{Number of days in the tax year}}$	
		$\times 366 / 366 =$	2
		Subtotal (amount 1 plus amount 2)	57,500
			<b>▶</b>
			57,500
			F
Refundable dividend tax on hand at the end of the tax year from line 485 above			G
<b>Dividend refund – Amount F or G, whichever is less</b>			H
Enter amount H on line 784 on page 9.			

**Part I tax**

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 %\* . . . **550** 23,718 A

**Personal services business income tax** (section 123.5)

Taxable income from a personal services business **555** x  $\frac{\text{Number of days in the tax year after December 31, 2015}}{\text{Number of days in the taxation year}}$   $\frac{366}{366}$  x 5 % = **560** B

Recapture of investment tax credit from Schedule 31 . . . . . **602** C

**Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income**  
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 . . . . . D  
Taxable income from line 360 on page 3 . . . . . 62,417 E

**Deduct:**  
Amount from line 400, 405, 410, or amount H on page 4, whichever is the least . . . . . 62,417 F  
Net amount (amount E **minus** amount F) . . . . . **G**

Amount D or G, whichever is less . . . . . x  $\frac{\text{Number of days in the tax year before January 1, 2016}}{\text{Number of days in the tax year}}$   $\frac{366}{366}$  x 6 2 / 3 % = 1

Amount D or G, whichever is less . . . . . x  $\frac{\text{Number of days in the tax year after December 31, 2015}}{\text{Number of days in the tax year}}$   $\frac{366}{366}$  x 10 2 / 3 % = 2

Refundable tax on CCPC's investment income (amount 1 **plus** amount 2) . . . . . **604** H  
Subtotal (**add** amounts A, B, C, and H) . . . . . 23,718 I

**Deduct:**  
Small business deduction from line 430 on page 4 . . . . . 10,923 J  
Federal tax abatement . . . . . **608** 6,242  
Manufacturing and processing profits deduction from Schedule 27 . . . . . **616**  
Investment corporation deduction . . . . . **620**  
Taxed capital gains **624**  
Additional deduction – credit unions from Schedule 17 . . . . . **628**  
Federal foreign non-business income tax credit from Schedule 21 . . . . . **632**  
Federal foreign business income tax credit from Schedule 21 . . . . . **636**  
General tax reduction for CCPCs from amount J on page 5 . . . . . **638**  
General tax reduction from amount R on page 5 . . . . . **639**  
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**  
Subtotal . . . . . 17,165 **K**

**Part I tax payable** – Amount I **minus** amount K . . . . . **6,553** L  
Enter amount L on line 700 on page 9.

**Privacy statement**

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source [cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html](http://cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html), personal information bank CRA PPU 047.

**Summary of tax and credits**

**Federal tax**

Part I tax payable from amount L on page 8	700	6,553
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 6,553

**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** 2,809

Total tax payable **770** 9,362 A

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount H 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 refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
Tax withheld at source	800	

Total payments on which tax has been withheld **801**

Provincial and territorial capital gains refund from Schedule 18 **808**

Provincial and territorial refundable tax credits from Schedule 5 **812**

Tax instalments paid **840** 37,000

Total credits **890** 37,000 **37,000** B

Refund code **894** 1 Overpayment 27,638

Balance (amount A minus amount B) -27,638

**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** \_\_\_\_\_ **918** \_\_\_\_\_  
Institution number                      Account number

If the result is positive, you have a **balance unpaid**.  
If the result is negative, you have an **overpayment**.  
Enter the amount on whichever line applies.  
Generally, we do not charge or refund a difference of \$2 or less.

Balance unpaid . . . . .                     

For information on how to make your payment, go to [cra.gc.ca/payments](http://cra.gc.ca/payments).

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? . . . . . **896** 1 Yes  2 No

If this return was prepared by a tax preparer for a fee, provide their EFILE number . . . . . **920** A3065

**Certification**

I, **950** Kulchyski Last name **951** Deanne First name **954** President/CEO 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** 2017-04-19 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation

**956** (807) 737-3800 Telephone number

Is the contact person the same as the authorized signing officer? If no, complete the information below . . . . . **957** 1 Yes  2 No

**958** \_\_\_\_\_ Name of other authorized person **959** \_\_\_\_\_ Telephone number

**Language of correspondence – Langue de correspondance**

Indicate your language of correspondence by entering 1 for English or 2 for French. **990** 1  
Indiquez votre langue de correspondance en inscrivant 1 pour anglais ou 2 pour français.

## Schedule of Instalment Remittances

Name of corporation contact \_\_\_\_\_

Telephone number \_\_\_\_\_

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Installments throughout year	37,000
<b>Total amount of instalments claimed (carry the result to line 840 of the T2 Return)</b>		<u>37,000</u> <b>A</b>
<b>Total instalments credited to the taxation year per T9</b>		<u>37,000</u> <b>B</b>

### Transfer

Account number	Taxation year end	Amount	Effective interest date	Description
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
SILOUX LOOKOUT HYDRO INC.	87053 8170 RC0001	2016-12-31

**Balance sheet information**

Account	Description	GIF1	Current year	Prior year
<b>Assets</b>				
	Total current assets	<b>1599</b> +	3,088,797	3,344,957
	Total tangible capital assets	<b>2008</b> +	9,515,619	9,190,413
	Total accumulated amortization of tangible capital assets	<b>2009</b> -	4,341,098	4,122,129
	Total intangible capital assets	<b>2178</b> +		
	Total accumulated amortization of intangible capital assets	<b>2179</b> -		
	Total long-term assets	<b>2589</b> +	193,614	194,708
	* Assets held in trust	<b>2590</b> +		
	<b>Total assets</b> (mandatory field)	<b>2599</b> =	<u>8,456,932</u>	<u>8,607,949</u>

<b>Liabilities</b>				
	Total current liabilities	<b>3139</b> +	4,712,267	5,150,590
	Total long-term liabilities	<b>3450</b> +	667,147	385,170
	* Subordinated debt	<b>3460</b> +		
	* Amounts held in trust	<b>3470</b> +		
	<b>Total liabilities</b> (mandatory field)	<b>3499</b> =	<u>5,379,414</u>	<u>5,535,760</u>

<b>Shareholder equity</b>				
	<b>Total shareholder equity</b> (mandatory field)	<b>3620</b> +	3,077,518	3,072,189

	<b>Total liabilities and shareholder equity</b>	<b>3640</b> =	<u>8,456,932</u>	<u>8,607,949</u>
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<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end</b> (mandatory field)	<b>3849</b> =	<u>287,695</u>	<u>282,366</u>

\* Generic item

**GENERAL INDEX OF FINANCIAL INFORMATION – GIFI**

Form identifier 125

Corporation's name SILOUX LOOKOUT HYDRO INC.	Business number 87053 8170 RC0001	Tax year end Year Month Day 2016-12-31
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**Income statement information**

Description	GIFI
Operating name . . . . .	<b>0001</b> _____
Description of the operation . . . . .	<b>0002</b> _____
Sequence number . . . . .	<b>0003</b> 01

Account	Description	GIFI	Current year	Prior year
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**Income statement information**

Total sales of goods and services . . . . .	<b>8089</b> +	12,021,011	12,001,174
Cost of sales . . . . .	<b>8518</b> -	9,740,269	9,919,664
<b>Gross profit/loss</b> . . . . .	<b>8519</b> =	2,280,742	2,081,510
Cost of sales . . . . .	<b>8518</b> +	9,740,269	9,919,664
Total operating expenses . . . . .	<b>9367</b> +	2,092,511	1,773,983
<b>Total expenses (mandatory field)</b> . . . . .	<b>9368</b> =	11,832,780	11,693,647
Total revenue (mandatory field) . . . . .	<b>8299</b> +	12,023,167	12,003,264
Total expenses (mandatory field) . . . . .	<b>9368</b> -	11,832,780	11,693,647
<b>Net non-farming income</b> . . . . .	<b>9369</b> =	190,387	309,617

**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> =	190,387	309,617
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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> +	_____	_____
Unusual items . . . . .	<b>9985</b> -	_____	_____
Current income taxes . . . . .	<b>9990</b> -	9,362	34,506
Future (deferred) income tax provision . . . . .	<b>9995</b> -	25,696	-41,964
Total – Other comprehensive income . . . . .	<b>9998</b> +	_____	_____
<b>Net income/loss after taxes and extraordinary items (mandatory field)</b> . . . . .	<b>9999</b> =	155,329	317,075

**Notes Checklist**

Corporation's name  SIOUX LOOKOUT HYDRO INC.	Business number  87053 8170 RC0001	Tax year-end Year Month Day 2016-12-31
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- 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** 1 Yes  2 No

Is the accountant connected\* with the corporation? . . . . . **097** 1 Yes  2 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** 1 Yes  2 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** 1 Yes  2 No

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? . . . . . **104** 1 Yes  2 No

Is re-evaluation of asset information mentioned in the notes? . . . . . **105** 1 Yes  2 No

Is contingent liability information mentioned in the notes? . . . . . **106** 1 Yes  2 No

Is information regarding commitments mentioned in the notes? . . . . . **107** 1 Yes  2 No

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** 1 Yes  2 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** 1 Yes  2 No

If **yes**, enter the amount recognized:

	<b>In net income</b> Increase (decrease)	<b>In OCI</b> 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** 1 Yes  2 No

Did the corporation apply hedge accounting during the tax year? **255** 1 Yes  2 No

Did the corporation discontinue hedge accounting during the tax year? **260** 1 Yes  2 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** 1 Yes  2 No

If **yes**, you have to maintain a separate reconciliation.

# Net Income (Loss) for Income Tax Purposes

## Schedule 1

Corporation's name <b>SIOUX LOOKOUT HYDRO INC.</b>	Business Number <b>87053 8170 RC0001</b>	Tax year end Year Month Day <b>2016-12-31</b>
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- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 *Corporation Income Tax Guide*.
- All legislative references are to the *Income Tax Act*.

Amount calculated on line 9999 from Schedule 125 ..... **155,329** A

**Add:**

Provision for income taxes – current	<b>101</b>	9,362	
Provision for income taxes – deferred	<b>102</b>	25,696	
Amortization of tangible assets	<b>104</b>	216,390	
Loss on disposal of assets	<b>111</b>	1,337	
Non-deductible meals and entertainment expenses	<b>121</b>	531	
Subtotal of additions		<b>253,316</b>	<b>253,316</b>

**Other additions:**

**Miscellaneous other additions:**

	1 Description	2 Amount		
	<b>605</b>	<b>295</b>		
1	Employee future benefits	1,226		
	<b>Total of column 2</b>	<b>1,226</b>	<b>296</b>	1,226
			<b>199</b>	1,226
			<b>500</b>	<b>254,542</b>
				<b>1,226</b>
				<b>254,542</b> B

Amount A plus amount B ..... **409,871** C

**Deduct:**

Capital cost allowance from Schedule 8	<b>403</b>	341,663	
Cumulative eligible capital deduction from Schedule 10	<b>405</b>	5,791	
Subtotal of deductions		<b>347,454</b>	<b>347,454</b>

**Other deductions:**

**Miscellaneous other deductions:**

	1 Description	2 Amount		
	<b>705</b>	<b>395</b>		
	<b>Total of column 2</b>		<b>396</b>	
			<b>499</b>	0
			<b>510</b>	<b>347,454</b>
				<b>0</b>
				<b>347,454</b> D

**Net income (loss) for income tax purposes** (amount C minus amount D) ..... **62,417** E

Enter amount E on line 300 of the T2 return.

## Attached Schedule with Total

Line 291 – Amount for line 601

Title Line 291 – Amount for line 601

Description	Amount
<u>Current Service Costs Actuarial Expense (Note 8)</u>	<u>4,164</u> 00
<u>Interest Costs Actuarial Expense (Note 8)</u>	<u>+</u> <u>5,144</u> 00
<u>Benefits paid</u>	<u>+</u> <u>-8,082</u> 00
	<u>+</u>
	<b>Total</b> <u>1,226</u> 00

## Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculations

Corporation's name <b>SIOUX LOOKOUT HYDRO INC.</b>	Business number <b>87053 8170 RC0001</b>	Tax year-end Year Month Day <b>2016-12-31</b>
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- This schedule is for the use of any corporation 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), (b) or (d); or
  - taxable dividends paid in the tax year that qualify for a dividend refund.
- All legislative references are to the federal *Income Tax Act*.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
  - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File one completed copy of this schedule with your *T2 Corporation Income Tax Return*.
- Column A1 – Enter "X" if dividends received from a foreign source.
- Column F1 – Enter the amount of dividends received reported in column 240 that are eligible.
- Column F2 – Enter the code that applies to the deductible taxable dividend.

### Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **only** if the payer corporation is **connected**

**Important instructions to follow if the payer corporation is connected**

- If your corporation's tax year-end is different than that of the **connected** payer corporation, your corporation could have received dividends from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information for each tax year of the payer corporation.
- When completing Column J and K use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is <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 YYYY/MM/DD	E Non-taxable dividend under section 83
<b>200</b>		<b>205</b>	<b>210</b>	<b>220</b>	<b>230</b>
<b>Total of column E</b> (enter amount on line 402 of Schedule 1)					

F	F1	F2	G	H	I	J	K
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>	Eligible dividends (included in column F)		Amount of dividend included in column F that was received <b>before 2016</b>	Total taxable dividends paid by <b>connected</b> payer corporation (for tax year in column D)	Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>note 2</sup>	Dividends (from Column G) received <b>before 2016 multiplied by 33 1/3%</b> <sup>note 3</sup>	Dividends received <b>after 2015</b> (column F <b>minus</b> column G) <b>multiplied by 38 1/3%</b> <sup>note 4</sup>
<b>240</b>			<b>241</b>	<b>250</b>	<b>260</b>	<b>270</b>	<b>275</b>

**Total of column F**  
(enter amount on line 320 of the T2 Return)

**Total of column J**  
(enter amount on line a in Part 2)

**Total of column K**  
(enter amount on line b in Part 2)

- 1 If taxable dividends are received, enter the amount in column 240, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column 270 or column 275 as applicable. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
- 2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.
- 3 For dividends received **before 2016** from **connected** corporations, Part IV tax on dividends is equal to: Column G **multiplied** by Column I **divided** by Column H.
- 4 For dividends received **after 2015** from **connected** corporations, Part IV tax on dividends is equal to: the result of Column F **minus** column G, **multiplied** by Column I **divided** by Column H.

**Part 2 – Calculation of Part IV tax payable**

Part IV tax on dividends received **before 2016**, before deductions (Total of column J in part 1) . . . \_\_\_\_\_ a  
 Part IV tax on dividends received **after 2015**, before deductions (Total of column K in part 1) . . . \_\_\_\_\_ b  
 Part IV tax before deductions (amount a **plus** amount b) . . . . . \_\_\_\_\_ **L**

**Deduct:**  
 Part IV tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) . . . . . **320** \_\_\_\_\_  
 Subtotal (amount L **minus** line 320) \_\_\_\_\_ **M**

**Deduct:**  
 Current-year non-capital loss claimed to reduce Part IV tax . . . . . **330** \_\_\_\_\_ c  
 Non-capital losses from previous years claimed to reduce Part IV tax . . . . . **335** \_\_\_\_\_ d  
 Current-year farm loss claimed to reduce Part IV tax . . . . . **340** \_\_\_\_\_ e  
 Farm losses from previous years claimed to reduce Part IV tax . . . . . **345** \_\_\_\_\_ f  
 Total losses applied against Part IV tax (total of amounts c to f) \_\_\_\_\_ **g**

**If your tax year begins after December 31, 2015:**  
 Amount g **multiplied by** 38 1 / 3 % . . . . . \_\_\_\_\_ **h**

**If your tax year begins before January 1, 2016:**  
 Amount b or M whichever is less  
 \_\_\_\_\_ ÷ 38 1 / 3 % . . . = \_\_\_\_\_ **1**  
 Amount 1 or g, whichever is less . . . . . \_\_\_\_\_ **2**  
 Amount g **minus** amount 2 . . . . . \_\_\_\_\_ **3**  
 Amount 2 \_\_\_\_\_ x 38 1 / 3 % = \_\_\_\_\_ **i**  
 Amount 3 \_\_\_\_\_ x 33 1 / 3 % = \_\_\_\_\_ **j**  
 Subtotal (amount i **plus** amount j) \_\_\_\_\_ **k**

Amount h or amount k, whichever applies . . . . . \_\_\_\_\_ **N**  
 Part IV tax payable (amount M **minus** amount N, if negative enter "0") . . . . . **360** \_\_\_\_\_  
 (enter amount on line 712 of the T2 return)



**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 for each tax year of the recipient corporation.

O Name of connected recipient corporation	P Business Number	Q Tax year-end of connected recipient corporation in which the dividends in column R were received YYYY/MM/DD	R Taxable dividends paid to connected corporations	R1 Eligible dividends (included in column R)
<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>	
1 Corporation of the Town of Sioux Lookout (Corporation)	10698 4859 RC0001	2016-12-31	150,000	

**Total of column R** 150,000

Total taxable dividends paid in the tax year to other than connected corporations **450**

Eligible dividends (included in line 450) 450a

Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column R **plus** line 450) **460** 150,000

**Part 4 – Total dividends paid in the tax year**

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above) 150,000

Other dividends paid in the tax year (total of 510 to 540) \_\_\_\_\_

Total dividends paid in the tax year **500** 150,000

**Deduct:**

Dividends paid out of capital dividend account **510**

Capital gains dividends **520**

Dividends paid on shares described in subsection 129(1.2) **530**

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year **540**

Subtotal (total of lines 510 to 540)                      **▶**                      S

Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount S)                      150,000 T

**Tax Calculation Supplementary – Corporations**

Corporation's name <b>SIOUX LOOKOUT HYDRO INC.</b>	Business Number <b>87053 8170 RC0001</b>	Tax year-end Year Month Day <b>2016-12-31</b>
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- Use this schedule if, during the tax year, the 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 mentioned in this schedule are from the *Income Tax Regulations*.
- For more information, see the *T2 Corporation – Income Tax Guide*.
- Enter the regulation number in field 100 of Part 1.

**Part 1 – Allocation of taxable income**

<b>100</b>		Enter the Regulation that applies (402 to 413).				
<b>A</b> Jurisdiction Tick yes if the corporation had a permanent establishment in the jurisdiction during the tax year. *		<b>B</b> Total salaries and wages paid in jurisdiction	<b>C</b> (B x taxable income) / G	<b>D</b> Gross revenue	<b>E</b> (D x taxable income) / H	<b>F</b> 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	<b>003</b> 1 Yes <input type="checkbox"/>	<b>103</b>		<b>143</b>		
Newfoundland and Labrador Offshore	<b>004</b> 1 Yes <input type="checkbox"/>	<b>104</b>		<b>144</b>		
Prince Edward Island	<b>005</b> 1 Yes <input type="checkbox"/>	<b>105</b>		<b>145</b>		
Nova Scotia	<b>007</b> 1 Yes <input type="checkbox"/>	<b>107</b>		<b>147</b>		
Nova Scotia Offshore	<b>008</b> 1 Yes <input type="checkbox"/>	<b>108</b>		<b>148</b>		
New Brunswick	<b>009</b> 1 Yes <input type="checkbox"/>	<b>109</b>		<b>149</b>		
Quebec	<b>011</b> 1 Yes <input type="checkbox"/>	<b>111</b>		<b>151</b>		
Ontario	<b>013</b> 1 Yes <input type="checkbox"/>	<b>113</b>		<b>153</b>		
Manitoba	<b>015</b> 1 Yes <input type="checkbox"/>	<b>115</b>		<b>155</b>		
Saskatchewan	<b>017</b> 1 Yes <input type="checkbox"/>	<b>117</b>		<b>157</b>		
Alberta	<b>019</b> 1 Yes <input type="checkbox"/>	<b>119</b>		<b>159</b>		
British Columbia	<b>021</b> 1 Yes <input type="checkbox"/>	<b>121</b>		<b>161</b>		
Yukon	<b>023</b> 1 Yes <input type="checkbox"/>	<b>123</b>		<b>163</b>		
Northwest Territories	<b>025</b> 1 Yes <input type="checkbox"/>	<b>125</b>		<b>165</b>		
Nunavut	<b>026</b> 1 Yes <input type="checkbox"/>	<b>126</b>		<b>166</b>		
Outside Canada	<b>027</b> 1 Yes <input type="checkbox"/>	<b>127</b>		<b>167</b>		
<b>Total</b>		<b>129</b>	<b>G</b>	<b>169</b>	<b>H</b>	

\* "Permanent establishment" is defined in subsection 400(2).

\*\* For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

**Notes:**

1. After determining the allocation of taxable income, you have to calculate the corporation's provincial or territorial tax payable. For more information on how to calculate the tax for each province or territory, see the instructions for Schedule 5 in the *T2 Corporation – Income Tax Guide*.
2. If the corporation has provincial or territorial tax payable, complete Part 2.
3. If the corporation is a member of a partnership and the partnership had a permanent establishment in a jurisdiction, select the jurisdiction in Column A and include your proportionate share of the partnership's salaries and wages and gross revenue in columns B and D, respectively.

**- Part 2 - Ontario tax payable, tax credits, and rebates**

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
62,417	62,417	62,417	2,809

**Ontario basic income tax** (from Schedule 500) ..... **270** \_\_\_\_\_ 7,178

**Deduct:** Ontario small business deduction (from Schedule 500) ..... **402** \_\_\_\_\_ 4,369

Subtotal \_\_\_\_\_ **2,809** ▶ \_\_\_\_\_ 2,809 A6

**Add:**

Ontario additional tax re Crown royalties (from Schedule 504) ..... **274** \_\_\_\_\_

Ontario transitional tax debits (from Schedule 506) ..... **276** \_\_\_\_\_

Recapture of Ontario research and development tax credit (from Schedule 508) ..... **277** \_\_\_\_\_

Subtotal \_\_\_\_\_ ▶ \_\_\_\_\_ B6

Subtotal (amount A6 **plus** amount B6) \_\_\_\_\_ **2,809** C6

**Deduct:**

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** \_\_\_\_\_

Subtotal \_\_\_\_\_ ▶ \_\_\_\_\_ D6

Subtotal (amount C6 **minus** amount D6) (if negative, enter "0") \_\_\_\_\_ 2,809 E6

**Deduct:** 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 E6 **minus** amount on line 416) (if negative, enter "0") ..... 2,809 F6

**Deduct:**

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 F6 **minus** amounts on line 418 and line 420) (if negative, enter "0") ..... 2,809 G6

**Add:**

Ontario corporate minimum tax (from Schedule 510) ..... **278** \_\_\_\_\_

Ontario special additional tax on life insurance corporations (from Schedule 512) ..... **280** \_\_\_\_\_

Subtotal \_\_\_\_\_ ▶ \_\_\_\_\_ H6

Total Ontario tax payable before refundable credits (amount G6 **plus** amount H6) ..... 2,809 I6

**Deduct:**

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** \_\_\_\_\_

Subtotal \_\_\_\_\_ ▶ \_\_\_\_\_ J6

**Net Ontario tax payable or refundable credit** (amount I6 **minus** amount J6) ..... **290** \_\_\_\_\_ 2,809 K6

(if a credit, enter a negative amount) Include this amount on line 255.

**Summary**

Enter the total net tax payable or refundable credits for all provinces and territories on line 255.

**Net provincial and territorial tax payable or refundable credits** ..... **255** 2,809

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 <b>SIoux LOOKOUT HYDRO INC.</b>	Business Number <b>87053 8170 RC0001</b>	Tax year end Year Month Day <b>2016-12-31</b>
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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** 1 Yes  2 No

1 Class number (See Note)	2 Description	3 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	4 Cost of acquisitions during the year (new property must be available for use)*	5 Adjustments and transfers**	6 Proceeds of dispositions during the year (amount not to exceed the capital cost)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	8 Reduced undepreciated capital cost	9 CCA rate % ****	10 Recapture of capital cost allowance***** (line 107 of Schedule 1)	11 Terminal loss (line 404 of Schedule 1)	12 Capital cost allowance (for declining balance method, column 7 multiplied by column 8, or a lower amount) (line 403 of Schedule 1) *****	13 Undepreciated capital cost at the end of the year (column 6 plus column 7 minus column 11)
<b>200</b>		<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>	<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1. 1	BUILDING	52,039			0		52,039	4	0	0	2,082	49,957
2. 1	DISTRIBUTION	3,244,144			0		3,244,144	4	0	0	129,766	3,114,378
3. 10	AUTO & COMPUTER	89,949			0		89,949	30	0	0	26,985	62,964
4. 45		1,804	299		0	150	1,953	45	0	0	879	1,224
5. 47	Electrical Distribution Asset +Ser	1,974,684	309,808		0	154,904	2,129,588	8	0	0	170,367	2,114,125
6. 50		3,721			0		3,721	55	0	0	2,047	1,674
7. 8	Tools and software	34,419	20,712		0	10,356	44,775	20	0	0	8,955	46,176
8. 12	Computer Software	582			0		582	100	0	0	582	
<b>Totals</b>		<b>5,401,342</b>	<b>330,819</b>			<b>165,410</b>	<b>5,566,751</b>				<b>341,663</b>	<b>5,390,498</b>

**Note:** 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%).

- \* Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule, see *Regulation 1100(2)* and (2.2).
- \*\* Enter in column 4, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost. Items that **increase** the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that **reduce** the undepreciated capital cost include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the *T2 Corporation Income Tax Guide* for other examples of adjustments and transfers to include in column 4.
- \*\*\* The net cost of acquisitions is the cost of acquisitions (column 3) **plus** or **minus** certain adjustments and transfers from column 4. For information on the exceptions to the 50% rule, as well as how to calculate the amounts to enter in column 6 in those cases, see Interpretation Bulletin IT-285, *Capital Cost Allowance - General Comments*.
- \*\*\*\* Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 11.
- \*\*\*\*\* For every entry in column 9, the "Recapture of capital cost allowance" there must be a corresponding entry in column 5, "Proceeds of dispositions during the year". The recapture and terminal loss rules do not apply to passenger vehicles in Class 10.1.
- \*\*\*\*\* If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the *T2 Corporation Income Tax Guide* for more information.

T2 SCH 8 (14)

Canada

# Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

## Tax return

Additions for tax purposes – Schedule 8 regular classes		330,819	
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):			
	+		
<b>Total additions per books</b>	=	330,819	▶ 330,819
Proceeds up to original cost – Schedule 8 regular classes			
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):			
Construction in progress	+	-44,552	
loss on sale that went to rate regulated deferral account	+	6,037	
amortization that went to rate regulated deferral account	+	45,370	
<b>Total proceeds per books</b>	=	6,855	▶ 6,855
Depreciation and amortization per accounts – Schedule 1		-	216,390
Loss on disposal of fixed assets per accounts		-	1,337
Gain on disposal of fixed assets per accounts		+	
<b>Net change per tax return</b>	=		106,237

## Financial statements

### Fixed assets (excluding land) per financial statements

Closing net book value		5,174,521	
Opening net book value		-	5,068,284
<b>Net change per financial statements</b>	=		106,237

If the amounts from the tax return and the financial statements differ, explain why below.

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**CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

Name of corporation SIOUX LOOKOUT HYDRO INC.	Business Number 87053 8170 RC0001	Tax year-end Year Month Day 2016-12-31
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- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

**Part 1 – Calculation of current year deduction and carry-forward**

<b>Cumulative eligible capital - Balance at the end of the preceding taxation year</b> (if negative, enter "0")	.....	<b>200</b>	82,727	A
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	.....	<b>222</b>		
Other adjustments	.....	<b>226</b>		
Subtotal (line 222 plus line 226)	=====			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	.....	<b>228</b>		C
amount B minus amount C (if negative, enter "0")	=====			D
Amount transferred on amalgamation or wind-up of subsidiary	.....	<b>224</b>		E
Subtotal (add amounts A, D, and E)	=====	<b>230</b>	82,727	F
<b>Deduct:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	.....	<b>242</b>		G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	.....	<b>244</b>		H
Other adjustments	.....	<b>246</b>		I
(add amounts G,H, and I)	=====			J
<b>Cumulative eligible capital balance</b> (amount F minus amount J)	.....		82,727	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)				
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	.....	<b>249</b>		
amount K	82,727			
less amount from line 249	=====			
<b>Current year deduction</b>	.....	<b>250</b>	5,791	*
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)	=====		5,791	L
<b>Cumulative eligible capital – Closing balance</b> (amount K minus amount L) (if negative, enter "0")	.....	<b>300</b>	76,936	M

\* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.



**Part 2 – Amount to be included in income arising from disposition**

(complete this part only if the amount at line K is negative)

Amount from line K (show as positive amount)		N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	<b>400</b>	1
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)	<b>401</b>	2
Total of CEC deductions claimed for taxation years beginning before July 1, 1988	<b>402</b>	3
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988	<b>408</b>	4
Line 3 minus line 4 (if negative, enter "0")	▶	5
Total of lines 1, 2 and 5		6
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400		7
Amounts at line T from Schedule 10 of previous taxation years ending after February 27, 2000		8
Subtotal (line 7 plus line 8)	<b>409</b>	9
Line 6 minus line 9 (if negative, enter "0")	▶	O
Line N minus line O (if negative, enter "0")		P
	Line 5 _____ x 1 / 2 =	Q
Line P minus line Q (if negative, enter "0")		R
	Amount R _____ x 2 / 3 =	S
Amount N or amount O, whichever is less		T
<b>Amount to be included in income</b> (amount S plus amount T) (enter this amount on line 108 of Schedule 1)	<b>410</b>	

**SHAREHOLDER INFORMATION**

Name of corporation <b>SIOUX LOOKOUT HYDRO INC.</b>	Business Number <b>87053 8170 RC0001</b>	Tax year end Year Month Day <b>2016-12-31</b>
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All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

**Provide only one number per shareholder**

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business Number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
					<b>100</b>	<b>200</b>
1	Corporation of the Town of Sioux Lookout (Corporation of the Town of Sioux Lookout)	10698 4859 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

**Part III.1 Tax on Excessive Eligible Dividend Designations**

Corporation's name <b>SIOUX LOOKOUT HYDRO INC.</b>	Business number <b>87053 8170 RC0001</b>	Tax year-end Year Month Day <b>2016-12-31</b>
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**Do not use this area**

- 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.

**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	_____	150,000
Total taxable dividends paid in the tax year	<b>100</b>	<u>150,000</u>
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> _____ 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)	<u>_____</u> 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>	<u>_____</u>
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)	<u>_____</u> 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 <b>SIOUX LOOKOUT HYDRO INC.</b>	Business number <b>87053 8170 RC0001</b>	Tax year-end Year Month Day <b>2016-12-31</b>
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- Use this schedule if the corporation had a permanent establishment (as defined in 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.
- All legislative references are to the federal *Income Tax Act* and *Income Tax Regulations*.
- This schedule is a worksheet only. You do not have to file it with your *T2 Corporation Income Tax Return*.

**Part 1 – Ontario basic rate of tax for the year**

Ontario basic rate of tax for the year .....	<u><u>11.5 %</u></u> <b>A</b>
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**Part 2 – Calculation of Ontario basic income tax**

Ontario taxable income *	<u><u>62,417</u></u> <b>B</b>
<b>Ontario basic income tax:</b> amount B multiplied by Ontario basic rate of tax for the year (rate A from Part 1) .....	<u><u>7,178</u></u> <b>C</b>

If the corporation has a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or has Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount C on line 270 of Schedule 5, *Tax Calculation Supplementary – Corporations*. Otherwise, enter it on line 760 of the T2 return.

\* If the corporation has a permanent establishment only in Ontario, enter the amount from line 360 or line Z, whichever applies, of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

**Part 3 – Ontario small business deduction (OSBD)**

Complete this part if the corporation claimed the federal small business deduction under subsection 125(1) or would have claimed it if subsection 125(5.1) had not been applicable in the tax year.

Income from active business carried on in Canada (amount from line 400 of the T2 return)	62,417	1
Federal taxable income, less adjustment for foreign tax credit (amount from line 405 of the T2 return)	62,417	2
Federal business limit before the application of subsection 125(5.1) (amount from line 410 of the T2 return)	500,000	3

**Ontario business limit reduction:**

Amount from line 3 500,000 a

**Deduct:**

Amount from line E of the T2 return                      x  $\frac{\text{Number of days in the tax year after May 1, 2014}}{\text{Number of days in the tax year}} = \frac{366}{366} =$                       b

Reduced Ontario business limit (amount a **minus** amount b) (if negative, enter "0") 500,000 c

Business limit the CCPC assigns under subsection 125(3.2) ITA                      d

Amount c **minus** amount d 500,000 **▶** 500,000 4

Enter the least of amounts 1, 2, 3, and 4 62,417 D

Ontario domestic factor (ODF):  $\frac{\text{Ontario taxable income}^*}{\text{Taxable income earned in all provinces and territories}^{**}} = \frac{62,417.00}{62,417} =$  1.00000 E

Amount D x ODF (line E) 62,417 e

Ontario taxable income (amount B from Part 2) 62,417 f

Reduced Ontario business limit (amount e **minus** amount f) (if negative, enter "0") 62,417 F

OSBD rate for the year 7 % G

**Ontario small business deduction:** amount F **multiplied** by rate G 4,369 H

Enter amount H on line 402 of Schedule 5.

\* Enter amount B from Part 2.

\*\* Includes the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

**Part 4 – Ontario adjusted small business income**

Complete this part if the 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** (lesser of amount D and amount d from Part 3) 62,417 I

Enter amount I on line K in Part 5 of this schedule or on line B in Part 2 of Schedule 502, *Ontario Tax Credit for Manufacturing and Processing*, whichever applies.

**Part 5 – Calculation of 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 D from Part 3 of Schedule 17	_____	J	
<b>Deduct:</b>			
Ontario adjusted small business income (amount I from Part 4)	_____	K	
Subtotal (amount J <b>minus</b> amount K) (if negative, enter "0")	=====	L	
Amount L <b>multiplied</b> by rate G from Part 3	_____	M	
Ontario domestic factor (line E from Part 3)	_____	1.00000	N
<b>Ontario credit union tax reduction</b> (amount M <b>multiplied</b> by ODF from line N)	=====	O	
Enter amount O on line 410 of Schedule 5.			

**CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS**

Name of corporation <b>SIOUX LOOKOUT HYDRO INC.</b>	Business Number <b>87053 8170 RC0001</b>	Tax year-end Year Month Day <b>2016-12-31</b>
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- 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) <b>SIOUX LOOKOUT HYDRO INC.</b>			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent <b>Ontario</b>	<b>110</b> Date of incorporation or amalgamation, whichever is the most recent Year Month Day <b>2000-01-13</b>	<b>120</b> Ontario Corporation No. <b>1396033</b>	

**Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)**

<b>200</b> Care of (if applicable)			
<b>210</b> Street number <b>25</b>	<b>220</b> Street name/Rural route/Lot and Concession number <b>Fifth Avenue</b>	<b>230</b> Suite number	
<b>240</b> Additional address information if applicable (line 220 must be completed first)			
<b>250</b> Municipality (e.g., city, town) <b>Sioux Lookout</b>	<b>260</b> Province/state <b>ON</b>	<b>270</b> Country <b>CA</b>	<b>280</b> Postal/zip code <b>P8T 1B3</b>

**Part 3 – Change identifier**

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit [www.ServiceOntario.ca](http://www.ServiceOntario.ca).

**300**  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** Kulchyski Last name      **451** Deanne First name

**454** \_\_\_\_\_ Middle name(s)

**460**  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 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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**Appendix 4E: SLHI PILs Workform for 2018 Filers**

# Income Tax/PILs Workform for 2018 Filers

Version 1.00

Utility Name	Sioux Lookout Hydro Inc.
Assigned EB Number	EB-2017-0073
Name and Title	Deanne Kulchyski, President/CEO
Phone Number	807-737-3800
Email Address	dkulchyski@tbaytel.net
Date	02-Jan-18
Last COS Re-based Year	2013

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 **H1** to **H13** relate to the Historical Year.

Tabs **B1** to **B13** relate to the Bridge Year.

Tabs **T1** to **T13** relate to the Test Year.

The amounts on tabs **H1** to **H13** should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab **A**.

On tab "**A. Data Input Sheet**", input the "Rate Base" amount and "Return on Rate Base" amounts.



# Income Tax/PILs Workform for 2018 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](#)

[H10 - Schedule 10 CEC Historical Year](#)

[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](#)

[B10 - Schedule 10 CEC 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 2018 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	-85,062
Test Year - Payments in Lieu of Taxes (PILs)	<u>I0</u>	19,554
Test Year - Grossed-up PILs	<u>I0</u>	23,005
Effective Federal Tax Rate	<u>I0</u>	10.5%
Effective Ontario Tax Rate	<u>I0</u>	4.5%
<u>Calculation of Adjustments required to arrive at Taxable Income</u>		
Regulatory Income (before income taxes)	<u>I1</u>	215,422
Taxable Income	<u>I1</u>	130,360
Difference	calculated	-85,062 as above

# Income Tax/PILs Workform for 2018 Filers

## Integrity Checks

The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case:

	Item	Utility Confirmation (Y/N)	Notes
1	The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application	Y	
2	The capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Y	
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non- distribution tax amounts on Schedule 8.	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 UCC schedules for the same years filed in the application	Y	
5	Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application	N/A	SLHI has no loss carry forwards
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	N/A	
7	CCA is maximized even if there are tax loss carry-forwards	N/A	
8	Accounting OPEB and pension amounts added back on Schedule 1 to reconcile accounting income to net income for tax purposes, must agree with the OM&A analysis for compensation. The amounts deducted must be reasonable when compared with the notes in the audited financial statements, FSCO reports, and the actuarial valuations.	N/A	There were no amounts added back on Schedule 1 for the Bridge a since the amounts are very immaterial.
9	The income tax rate used to calculate the tax expense must be consistent with the utility's actual tax facts and evidence filed in the application.	Y	

# Income Tax/PILs Workform for 2018 Filers

		Test Year	Bridge Year	
<b>Rate Base</b>	S	\$ 5,983,945	\$ 6,658,491	
<b>Return on Ratebase</b>				
Deemed ShortTerm Debt %	4.00%	T \$ 239,358		$W = S * T$
Deemed Long Term Debt %	56.00%	U \$ 3,351,009		$X = S * U$
Deemed Equity %	40.00%	V \$ 2,393,578		$Y = S * V$
Short Term Interest Rate	2.29%	Z \$ 5,481		$AC = W * Z$
Long Term Interest	4.24%	AA \$ 142,083		$AD = X * AA$
<b>Return on Equity (Regulatory Income)</b>	9.00%	AB \$ 215,422		$AE = Y * AB$ <a href="#">T1</a>
<b>Return on Rate Base</b>		<b>\$ 362,986</b>		$AF = AC + AD + AE$

## Questions that must be answered

	Historical Year	Bridge Year	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	No	No	No
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	No	No	No
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	Yes	No
7. Did the applicant pay dividends? <i>If Yes, please describe what was the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No



# Income Tax/PILs Workform for 2018 Filers

**Tax Rates**

**Federal & Provincial  
As of May 16, 2016**

**Federal income tax**

General corporate rate  
Federal tax abatement  
Adjusted federal rate

Rate reduction

**Federal Income Tax**

**Ontario income tax**

**Combined federal and Ontario**

**Federal & Ontario Small Business**

Federal small business threshold  
Ontario Small Business Threshold

Federal small business rate

Ontario small business rate

	Effective January 1, 2013	Effective January 1, 2014	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	Effective January 1, 2018
General corporate rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal tax abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted federal rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
<b>Federal Income Tax</b>	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%
<b>Combined federal and Ontario</b>	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal small business threshold	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Threshold	500,000	500,000	500,000	500,000	500,000	500,000
Federal small business rate	11.00%	11.00%	11.00%	10.50%	10.50%	10.50%
Ontario small business rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

**Notes**

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. Regarding the small business deduction, if applicable,
  - a. If taxable capital exceeds \$15 million, the small business rate will not be applicable.
  - b. If taxable capital is below \$10 million, the small business rate would be applicable.
  - c. If taxable capital is between \$10 million and \$15 million, the appropriate small business rate will be calculated.



# Income Tax/PILs Workform for 2018 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%)

4.50%  
10.50%

B  
C

H1

### Wires Only

\$ 54,419 A

15.00% D = B+C

\$ 8,163 E = A \* D

F

G

\$ - H = F + G

\$ 8,163 I = E - H

### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

### Total Tax Credits

Corporate PILs/Income Tax Provision for Historical Year



# Income Tax/PILs Workform for 2018 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</b>	155,329	6,782	148,547
<b>Additions:</b>				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	216,390	1,240	215,150
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Gain on sale of eligible capital property from Schedule 10	108			0
Income or loss for tax purposes- joint ventures or partnerships	109			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	1,337		1,337
Charitable donations	112			0
Taxable Capital Gains	113			0
Political Donations	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	531		531
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements- balance at end of year	126			0
Soft costs on construction and renovation of buildings	127			0
Book loss on joint ventures or partnerships	205			0
Capital items expensed	206			0
Debt issue expense	208			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	290			0
Realized Income from Deferred Credit Accounts	291			0
Pensions	292			0
Non-deductible penalties	293			0
	294			0
Employee future benefits	295	1,226		1,226
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
Provision for income taxes - current		9,362		9,362
Provision for income taxes - deferred		25,696		25,696
				0
				0
				0
				0
				0
				0
				0
				0
<b>Total Additions</b>		<b>254,542</b>	<b>1,240</b>	<b>253,302</b>
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401			0
Dividends not taxable under section 83	402			0
Capital cost allowance from Schedule 8	403	341,663	24	341,639
Terminal loss from Schedule 8	404			0

Cumulative eligible capital deduction from Schedule 10	405	5,791		5,791
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			0
<i>Other deductions: (Please explain in detail the nature of the item)</i>				
Interest capitalized for accounting deducted for tax	390			0
Capital Lease Payments	391			0
Non-taxable imputed interest income on deferral and variance accounts	392			0
	393			0
	394			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
				0
<b>Total Deductions</b>		<b>347,454</b>	<b>24</b>	<b>347,430</b>
<b>Net Income for Tax Purposes</b>		<b>62,417</b>	<b>7,998</b>	<b>54,419</b>
Charitable donations from Schedule 2	311			0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320			0
Non-capital losses of preceding taxation years from Schedule 4	331			0
Net-capital losses of preceding taxation years from Schedule 4 <i>(Please include explanation and calculation in Manager's summary)</i>	332			0
Limited partnership losses of preceding taxation years from Schedule 4	335			0
<b>TAXABLE INCOME</b>		<b>62,417</b>	<b>7,998</b>	<b>54,419</b>

H0



# Income Tax/PILs Workform for 2018 Filers

## Schedule 7-1 Loss Carry Forward - Historical

### Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
Actual Historical			0

[B4](#)

	Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>			
Actual Historical			0

[B4](#)





# Income Tax/PILs Workform for 2018 Filers

## Schedule 10 CEC - Historical Year

<b>Cumulative Eligible Capital</b>					<b>82,727</b>
<b>Additions</b>					
Cost of Eligible Capital Property Acquired during Test Year					
Other Adjustments	0				
Subtotal	0		$\times 3/4 =$	0	
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday, December 20, 2002	0		$\times 1/2 =$	0	
				0	0
Amount transferred on amalgamation or wind-up of subsidiary	0				0
		<b>Subtotal</b>			<b>82,727</b>
<b>Deductions</b>					
Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during Test Year					
Other Adjustments	0				
Subtotal	0		$\times 3/4 =$	0	
<b>Cumulative Eligible Capital Balance</b>					<b>82,727</b>
<b>Current Year Deduction</b>			<b>82,727</b>	$\times 7% =$	<b>5,791</b>
<b>Cumulative Eligible Capital - Closing Balance</b>					<b>\$ 76,936.11</b>



# Income Tax/PILs Workform for 2018 Filers

## Schedule 13 Tax Reserves - Historical

### Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only	
Capital Gains Reserves ss.40(1)			0	<a href="#">B13</a>
<b>Tax Reserves Not Deducted for accounting purposes</b>				
Reserve for doubtful accounts ss. 20(1)(l)			0	<a href="#">B13</a>
Reserve for goods and services not delivered ss. 20(1)(m)			0	<a href="#">B13</a>
Reserve for unpaid amounts ss. 20(1)(n)			0	<a href="#">B13</a>
Debt & Share Issue Expenses ss. 20(1)(e)			0	<a href="#">B13</a>
Other tax reserves			0	<a href="#">B13</a>
			0	
			0	
			0	
			0	
			0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>				
General Reserve for Inventory Obsolescence (non-specific)			0	<a href="#">B13</a>
General reserve for bad debts			0	<a href="#">B13</a>
Accrued Employee Future Benefits:			0	<a href="#">B13</a>
- Medical and Life Insurance			0	<a href="#">B13</a>
-Short & Long-term Disability			0	<a href="#">B13</a>
-Accumulated Sick Leave			0	<a href="#">B13</a>
- Termination Cost			0	<a href="#">B13</a>
- Other Post-Employment Benefits			0	<a href="#">B13</a>
Provision for Environmental Costs			0	<a href="#">B13</a>
Restructuring Costs			0	<a href="#">B13</a>
Accrued Contingent Litigation Costs			0	<a href="#">B13</a>
Accrued Self-Insurance Costs			0	<a href="#">B13</a>
Other Contingent Liabilities			0	<a href="#">B13</a>
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	<a href="#">B13</a>
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	<a href="#">B13</a>
Other			0	<a href="#">B13</a>
			0	
			0	
			0	
			0	
			0	
			0	
			0	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	

# Income Tax/PILs Workform for 2018 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%	4.5%	\$ 3,161	4.5%	<b>B</b>
Federal (Max 15%)	15.0%	10.5%	\$ 7,376	10.5%	<b>C</b>

Combined effective tax rate (Max 26.5%)

### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

### Total Tax Credits

### Corporate PILs/Income Tax Provision for Bridge Year

## Wires Only

Reference

[B1](#) \$ 70,251 **A**

15.00% **D = B + C**

\$ 10,538 **E = A \* D**

F

G

\$ - **H = F + G**

\$ 10,538 **I = E - H**

### Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

# Income Tax/PILs Workform for 2018 Filers

## Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
<b>Income before PILs/Taxes</b>	<b>A</b>		184,737
<b>Additions:</b>			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		258,996
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107		
Gain on sale of eligible capital property from Schedule 10	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		2,000
Charitable donations	112		
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		2,640
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	0
Reserves from financial statements- balance at end of year	126	B13	0
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	290		
Realized Income from Deferred Credit Accounts	291		
Pensions	292		
Non-deductible penalties	293		
	294		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			



# Income Tax/PILs Workform for 2018 Filers

## Adjusted Taxable Income - Bridge Year

<b>Total Additions</b>			<b>263,636</b>
<b>Deductions:</b>			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	378,122
Terminal loss from Schedule 8	404		
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	0
Reserves from financial statements - balance at beginning of year	414	B13	0
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
<i>Other deductions: (Please explain in detail the nature of the item)</i>			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
<b>Total Deductions</b>		calculated	<b>378,122</b>
<b>Net Income for Tax Purposes</b>		calculated	<b>70,251</b>
Charitable donations from Schedule 2	311		
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320		
Non-capital losses of preceding taxation years from Schedule 4	331	B4	0

# Income Tax/PILs Workform for 2018 Filers

## Adjusted Taxable Income - Bridge Year

Net-capital losses of preceding taxation years from Schedule 4 <i>(Please include explanation and calculation in Manager's summary)</i>	332	<u>B4</u>	0
Limited partnership losses of preceding taxation years from Schedule 4	335		
<b>TAXABLE INCOME</b>		calculated	<b>70,251</b>



# Income Tax/PILs Workform for 2018 Filers

## Corporation Loss Continuity and Application

### Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total
Actual Historical	H4	0
<b>Amount to be used in Bridge Year</b>	<b>B1</b>	0
Loss Carry Forward Generated in Bridge Year (if any)	B1	0
Other Adjustments		
Balance available for use post Bridge Year	calculated	0

T4

Net Capital Loss Carry Forward Deduction		Total
Actual Historical	H4	0
<b>Amount to be used in Bridge Year</b>		
Loss Carry Forward Generated in Bridge Year (if any)	B1	
Other Adjustments		
Balance available for use post Bridge Year	calculated	0

T4



# Income Tax/PILs Workform for 2018 Filers

## Schedule 13 Tax Reserves - Bridge Year

### Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	Change During the Year	Disallowed Expenses	
					Additions	Disposals				
Capital Gains Reserves ss.40(1)	H13	0		0			0	T13	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>										
Reserve for doubtful accounts ss. 20(1)(l)	H13	0		0			0	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0			0	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0			0	T13	0	
Debt & Share Issue Expenses ss. 20(1)(e)	H13	0		0			0	T13	0	
Other tax reserves	H13	0		0			0	T13	0	
		0		0			0		0	
		0		0			0		0	
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>B1</b>	<b>0</b>	<b>0</b>	<b>B1</b>	<b>0</b>	<b>0</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>										
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0			0	T13	0	
General reserve for bad debts	H13	0		0			0	T13	0	
Accrued Employee Future Benefits:	H13	0		0			0	T13	0	
- Medical and Life Insurance	H13	0		0			0	T13	0	
- Short & Long-term Disability	H13	0		0			0	T13	0	
- Accumulated Sick Leave	H13	0		0			0	T13	0	
- Termination Cost	H13	0		0			0	T13	0	
- Other Post-Employment Benefits	H13	0		0			0	T13	0	
Provision for Environmental Costs	H13	0		0			0	T13	0	
Restructuring Costs	H13	0		0			0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0			0	T13	0	
Accrued Self-Insurance Costs	H13	0		0			0	T13	0	
Other Contingent Liabilities	H13	0		0			0	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0			0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0			0	T13	0	
Other	H13	0		0			0	T13	0	
		0		0			0		0	
		0		0			0		0	
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>B1</b>	<b>0</b>	<b>0</b>	<b>B1</b>	<b>0</b>	<b>0</b>



# Income Tax/PILs Workform for 2018 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%	4.5%	\$ 5,866	4.5%	<b>B</b>
Federal (Max 15%)	15.0%	10.5%	\$ 13,688	10.5%	<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)

### Wires Only

T1 \$ 130,360 **A**

15.00% **D = B + C**

\$ 19,554 **E = A \* D**

F

G

\$ - **H = F + G**

\$ 19,554 **I = E - H**

[S. Summary](#)

85.00% **J = 1-D** \$ 3,451 **K = I/J-I**

\$ 23,005 **L = K + I**

[S. Summary](#)

### Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.



<b>Total Additions</b>			<b>309,430</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	394,492
Terminal loss from Schedule 8	404		
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	0
Reserves from financial statements - balance at beginning of year	414	T13	0
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
<i>Other deductions: (Please explain in detail the nature of the item)</i>			
Interest capitalized for accounting deducted for tax	390		
Capital Lease Payments	391		
Non-taxable imputed interest income on deferral and variance accounts	392		
	393		
	394		
	395		
	396		
	397		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
<b>Total Deductions</b>		<b>calculated</b>	<b>394,492</b>
<b>NET INCOME FOR TAX PURPOSES</b>		<b>calculated</b>	<b>130,360</b>
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of preceding taxation years from Schedule 7-1	331	I4	0
Net-capital losses of preceding taxation years (Please show calculation)	332	I4	0
Limited partnership losses of preceding taxation years from Schedule 4	335		
<b>REGULATORY TAXABLE INCOME</b>		<b>calculated</b>	<b>130,360</b>

I0





# Income Tax/PILs Workform for 2018 Filers

## Schedule 7-1 Loss Carry Forward - Test Year

### Corporation Loss Continuity and Application

	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>				
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	0		0
<b>Amount to be used in Test Year and Price Cap Years</b>	<u>T1</u>	0		0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
<b>Amount to be used in Test Year</b>	calculated	0		0
Loss Carry Forward Generated in Test Year (if any)	<u>T1</u>	0		0
Other Adjustments				0
Balance available for use in Future Years	calculated	0		0

		Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>				
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	0		0
<b>Amount to be used in Test Year and Price Cap Years</b>				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
<b>Amount to be used in Test Year</b>	<u>T1</u>	0		0
Loss Carry Forward Generated in Test Year (if any)				0
Other Adjustments				0
Balance available for use in Future Years		0		0



# Income Tax/PILs Workform for 2018 Filers

## Schedule 13 Tax Reserves - Test Year

### Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0	0	
<b>Tax Reserves Not Deducted for accounting purposes</b>									
Reserve for doubtful accounts ss. 20(1)(l)	B13	0		0	0	0	0	0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0	0	
Other tax reserves	B13	0		0			0	0	
		0		0			0	0	
		0		0			0	0	
<b>Total</b>		0	0	0	I1	0	0	I1	0
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0	0	
General reserve for bad debts	B13	0		0			0	0	
Accrued Employee Future Benefits:	B13	0		0			0	0	
- Medical and Life Insurance	B13	0		0			0	0	
- Short & Long-term Disability	B13	0		0			0	0	
- Accumulated Sick Leave	B13	0		0			0	0	
- Termination Cost	B13	0		0			0	0	
- Other Post-Employment Benefits	B13	0		0			0	0	
Provision for Environmental Costs	B13	0		0			0	0	
Restructuring Costs	B13	0		0			0	0	
Accrued Contingent Litigation Costs	B13	0		0			0	0	
Accrued Self-Insurance Costs	B13	0		0			0	0	
Other Contingent Liabilities	B13	0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0	0	
Other	B13	0		0			0	0	
		0		0			0	0	
		0		0			0	0	
<b>Total</b>		0	0	0	I1	0	0	I1	0

**Appendix 4F: SLHI 2011-2014 Final IESO CDM Results**



**Message from the Vice President:**

The IESO is pleased to provide the enclosed 2011-2014 Final Results Report. This report is designed to help populate LDC Annual Reports that will be submitted to the Ontario Energy Board (OEB) in September 2015.

**2011-2014 Conservation Framework Highlights:**

- LDCs have made significant achievements against dual energy and peak demand savings targets. Collectively, the LDCs have achieved 109% of the energy target and 70% of the peak demand target.
- Momentum has built as we transition to the Conservation First Framework. 2014 demonstrated an achievement of over 1 TWh of net incremental energy savings, positioning us well for average net incremental energy savings of 1.2 TWh required in the new framework to meet our 2020 CDM targets.
- Throughout the past framework, program results have become more predictable year over year as noted in the increasingly smaller variance between quarterly preliminary results and verified final results.
- Customer engagement continued to increase in both the Consumer and Business Programs. Between 2011 - 2014 consumers have purchased over 10 million energy efficient products through the saveONenergy COUPONS program. Customers in RETROFIT continue to declare a positive experience participating in the program with 86% likely to recommend.
- saveONenergy has seen a steady and significant increase in unaided brand awareness by 33% from 2011-2014
- Conservation is becoming even more cost-effective as programs become more efficient and effective. 2014 proved early investments in long lead time projects will pay off with the high savings now being realized in programs like PROCESS & SYSTEMS and RETROFIT. Within 4 cents per kWh, Conservation programs continue to be a valuable and cost effective resource for customers across the province.

The 2011-2014 Final Results within this report vary from the Draft 2011-2014 Final Results Report for the following reasons:

- Savings from Time of Use pricing are included in the Final Results Report. Overall the province saved 55 MWs from Time-of-Use pricing in 2014, or 0.73% of residential summer peak demand.
- Between August 4th and August 28th, the IESO and LDCs have worked collaboratively to reconcile projects from 2011-2014 Final Results Report to ensure every eligible project was captured and accurately reported.
- Verified savings from Innovation Fund pilots are also included for participating LDCs.

All results will be considered final for the 2011-2014 Conservation Framework. Any additional program activity not captured in the 2011-2014 Final Results Report will not be included as part of a future adjustment process.

Please continue to monitor saveONenergy E-blasts for future updates and should you have any other questions or comments please contact LDC.Support@ieso.ca.

We appreciate your collaboration and cooperation throughout the reporting and evaluation process and we look forward to the success ahead in the Conservation First Framework.

Sincerely,

Terry Young

<b>Table of Contents</b>			
	<b>Summary</b>	Provides a summary of the LDC specific IESO-Contracted Province-Wide Program performance to date: achievement against target using scenario 1, sector breakdown and progress to target for the LDC community.	<a href="#">3</a>
<b>LDC-Specific Performance (LDC Level Results)</b>			
Table 1	LDC Initiative and Program Level Net Savings	Provides LDC-specific initiative-level results (activity, net peak demand and energy savings, and how each initiative contributes to targets).	<a href="#">4</a>
Table 2	LDC Adjustments to Net Verified Results	Provides LDC-specific initiative level adjustments from previous years' (activity, net peak demand and energy savings).	<a href="#">5</a>
Table 3	LDC Realization Rates & NTGs	Provides LDC-specific initiative-level realization rates and net-to-gross ratios.	<a href="#">6</a>
Table 4	LDC Net Peak Demand Savings (MW)	Provides a portfolio level view of LDC achievement of net peak demand savings against OEB target.	<a href="#">7</a>
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<b>Province-Wide Data - (LDC Performance in Aggregate)</b>			
Table 6	Provincial Initiative and Program Level Net Savings	Provides province-wide initiative-level results (activity, net peak demand and energy savings, and how each initiative contributes to targets).	<a href="#">8</a>
Table 7	Provincial Adjustments to Net Verified Results	Provides province-wide initiative level adjustments from previous years (activity, net peak demand and energy savings).	<a href="#">9</a>
Table 8	Provincial Realization Rates & NTGs	Provides province-wide initiative-level realization rates and net-to-gross ratios.	<a href="#">10</a>
Table 9	Provincial Net Peak Demand Savings (MW)	Provides a portfolio level view of provincial achievement of net peak demand savings against the OEB target.	<a href="#">11</a>
Table 10	Provincial Net Energy Savings (GWh)	Provides a portfolio level view of achievement of provincial net energy savings against the OEB target.	<a href="#">11</a>
<b>Appendix</b>			
-	Methodology	Detailed descriptions of methods used for results.	<a href="#">12 to 21</a>
-	Reference Tables	Consumer Program allocation methodology.	<a href="#">22 to 23</a>
-	Glossary	Definitions for terms used throughout the report.	<a href="#">24</a>
Table 11	LDC Initiative and Program Level Gross Savings	Provides LDC-specific initiative-level results (gross peak demand and energy savings).	<a href="#">25</a>
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Table 14	Provincial Adjustments to Gross Verified Results	Provides province-wide initiative level adjustments from previous years (gross peak demand and energy savings).	<a href="#">28</a>

## IESO-Contracted Province-Wide CDM Programs: 2011-2014 Final Results Report

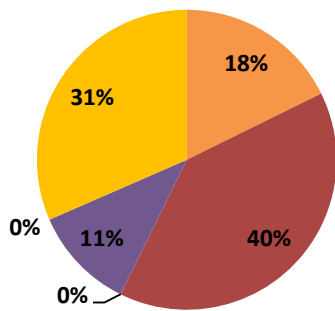
**LDC:** Sioux Lookout Hydro Inc.

Final 2014 Achievement Against Targets	2014 Incremental	2011-2014	
		Achievement Against Target	% of Target Achieved
Net Annual Peak Demand Savings (MW)	0.1	0.2	29.8%
Net Energy Savings (GWh)	0.4	1.3	40.0%

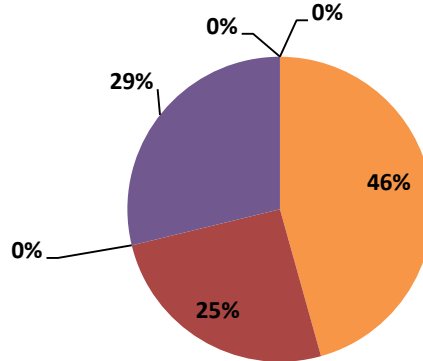
*Unless otherwise noted, results are presented using scenario 1 which assumes that demand response resources have a persistence of 1 year*

### Achievement by Sector

**2014 Incremental Peak Demand Savings (MW)**



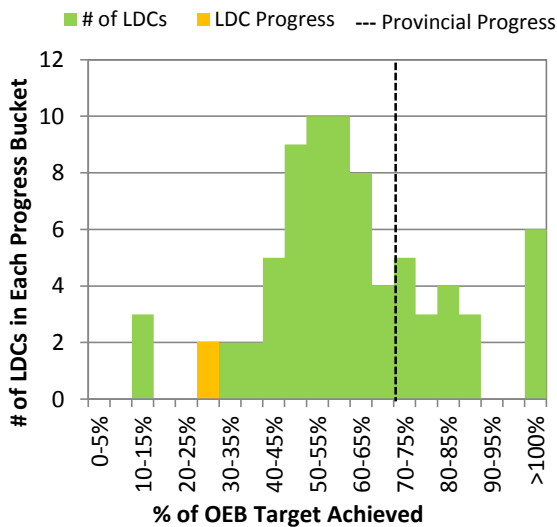
**2014 Incremental Energy Savings (GWh)**



■ Consumer   
 ■ Business   
 ■ Industrial   
 ■ HAP   
 ■ ACP   
 ■ Other

### Comparison: LDC Achievement vs. LDC Community Achievement (Progress to Target)

**% of OEB Peak Demand Savings Target Achieved**



**% of OEB Energy Savings Target Achieved**

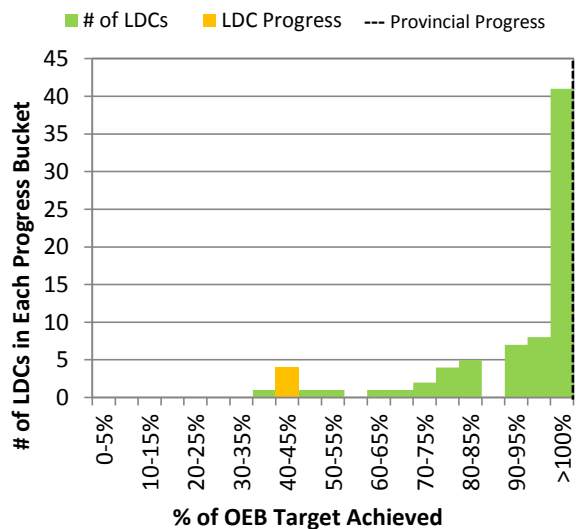


Table 1: Sioux Lookout Hydro Inc. Initiative and Program Level Net Savings by Year

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
														2014	2014
<b>Consumer Program</b>															
Appliance Retirement	Appliances	32	27	21	41	2	1	1	3	13,344	10,613	8,858	17,782	7	120,511
Appliance Exchange	Appliances	1	0	1	1	0	0	0	0	113	82	369	369	0	1,740
HVAC Incentives	Equipment	2	1	0	3	1	0	0	0	1,408	296	0	676	1	7,196
Conservation Instant Coupon Booklet	Items	427	26	292	868	1	0	0	2	15,771	1,175	6,478	23,666	3	103,231
Bi-Annual Retailer Event	Items	800	892	794	4,055	1	1	1	7	24,700	22,510	14,440	103,300	10	298,511
Retailer Co-op	Items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Consumer Program Total</b>						<b>5</b>	<b>3</b>	<b>3</b>	<b>12</b>	<b>55,336</b>	<b>34,676</b>	<b>30,145</b>	<b>145,794</b>	<b>23</b>	<b>531,188</b>
<b>Business Program</b>															
Retrofit	Projects	0	0	0	3	0	0	0	11	0	0	0	28,612	11	28,612
Direct Install Lighting	Projects	3	12	27	19	2	15	53	15	5,986	51,442	175,237	52,904	86	581,649
Building Commissioning	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Business Program Total</b>						<b>2</b>	<b>15</b>	<b>53</b>	<b>26</b>	<b>5,986</b>	<b>51,442</b>	<b>175,237</b>	<b>81,516</b>	<b>97</b>	<b>610,261</b>
<b>Industrial Program</b>															
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retrofit	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Industrial Program Total</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Home Assistance Program</b>															
Home Assistance Program	Homes	0	0	29	183	0	0	0	7	0	0	1,156	91,975	8	94,288
<b>Home Assistance Program Total</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1,156</b>	<b>91,975</b>	<b>8</b>	<b>94,288</b>
<b>Aboriginal Program</b>															
Home Assistance Program	Homes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Aboriginal Program Total</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-2011 Programs completed in 2011</b>															
Electricity Retrofit Incentive Program	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
High Performance New Construction	Projects	0	0	0	0	0	0	0	0	174	92	0	0	0	972
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-2011 Programs completed in 2011 Total</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>174</b>	<b>92</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>972</b>
<b>Other</b>															
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	n/a	0	0	0	21	0	0	0	0	21	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Other Total</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>0</b>
<b>Adjustments to 2011 Verified Results</b>															
<b>Adjustments to 2012 Verified Results</b>															
<b>Adjustments to 2013 Verified Results</b>															
<b>Energy Efficiency Total</b>						<b>8</b>	<b>18</b>	<b>56</b>	<b>67</b>	<b>61,496</b>	<b>86,210</b>	<b>206,538</b>	<b>319,285</b>	<b>148</b>	<b>1,236,710</b>
<b>Demand Response Total (Scenario 1)</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Adjustments to Previous Years' Verified Results Total</b>						<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>1,921</b>	<b>7</b>	<b>40,820</b>	<b>3</b>	<b>91,410</b>
<b>OPA-Contracted LDC Portfolio Total (inc. Adjustments)</b>						<b>8</b>	<b>18</b>	<b>56</b>	<b>70</b>	<b>61,496</b>	<b>88,131</b>	<b>206,545</b>	<b>360,106</b>	<b>152</b>	<b>1,328,120</b>
Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).												Full OEB Target:		<b>510</b>	<b>3,320,000</b>
*Includes adjustments after Final Reports were issued												% of Full OEB Target Achieved to Date (Scenario 1):		<b>29.8%</b>	<b>40.0%</b>
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year															



Table 2: Adjustments to Sioux Lookout Hydro Inc. Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
															2014
<b>Consumer Program</b>															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	0	0	0		0	0	0		-146	7	0		0	-562
Conservation Instant Coupon Booklet	Items	7	0	1		0	0	0		232	0	20		0	967
Bi-Annual Retailer Event	Items	69	0	0		0	0	0		1,835	0	0		0	7,341
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential New Construction	Homes	0	0	0		0	0	0		0	0	0		0	0
<b>Consumer Program Total</b>						<b>0</b>	<b>0</b>	<b>0</b>		<b>1,921</b>	<b>7</b>	<b>20</b>		<b>0</b>	<b>7,745</b>
<b>Business Program</b>															
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	0	0	0		0	0	0		0	0	0		0	0
Energy Audit	Audits	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
<b>Business Program Total</b>						<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Industrial Program</b>															
Process & System Upgrades	Projects	0	0	0		0	0	0		0	0	0		0	0
Monitoring & Targeting	Projects	0	0	0		0	0	0		0	0	0		0	0
Energy Manager	Projects	0	0	0		0	0	0		0	0	0		0	0
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
<b>Industrial Program Total</b>						<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Home Assistance Program</b>															
Home Assistance Program	Homes	0	0	27		0	0	4		0	0	42,864		3	83,665
<b>Home Assistance Program Total</b>						<b>0</b>	<b>0</b>	<b>4</b>		<b>0</b>	<b>0</b>	<b>42,864</b>		<b>3</b>	<b>83,665</b>
<b>Aboriginal Program</b>															
Home Assistance Program	Homes	0	0	0		0	0	0		0	0	0		0	0
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
<b>Aboriginal Program Total</b>						<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Pre-2011 Programs completed in 2011</b>															
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0		0	0	0		0	0
High Performance New Construction	Projects	0	0	0		0	0	0		0	0	0		0	0
Toronto Comprehensive	Projects	0	0	0		0	0	0		0	0	0		0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
<b>Pre-2011 Programs completed in 2011 Total</b>						<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Other</b>															
Program Enabled Savings	Projects	0	0	0		0	0	0		0	0	0		0	0
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
<b>Other Total</b>						<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>Adjustments to 2011 Verified Results</b>						<b>0</b>				<b>1,921</b>				<b>0</b>	<b>7,684</b>
<b>Adjustments to 2012 Verified Results</b>							<b>0</b>				<b>7</b>			<b>0</b>	<b>21</b>
<b>Adjustments to 2013 Verified Results</b>								<b>4</b>				<b>42,884</b>		<b>3</b>	<b>83,705</b>
<b>Total Adjustments to Previous Years' Verified Results</b>						<b>0</b>	<b>0</b>	<b>4</b>		<b>1,921</b>	<b>7</b>	<b>42,884</b>		<b>3</b>	<b>91,410</b>

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustments in Table 1 reflect persisted savings in the year in which that adjustment is verified.

**Table 3: Sioux Lookout Hydro Inc. Realization Rate & NTG**

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
<b>Consumer Program</b>																
Appliance Retirement	1.00	1.00	n/a	n/a	0.50	0.47	0.42	0.42	1.00	1.00	n/a	n/a	0.52	0.47	0.44	0.44
Appliance Exchange	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	n/a	1.00	0.60	0.50	n/a	0.51	1.00	1.00	n/a	1.00	0.60	0.49	n/a	0.51
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.11	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.13	0.91	1.04	1.74	1.00	1.00	1.00	1.00	1.10	0.92	1.04	1.75
Retailer Co-op	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Business Program</b>																
Retrofit	n/a	n/a	n/a	0.68	n/a	n/a	n/a	0.69	n/a	n/a	n/a	0.69	n/a	n/a	n/a	0.70
Direct Install Lighting	1.08	0.68	0.81	0.78	0.93	0.94	0.94	0.94	0.90	0.85	0.84	0.83	0.93	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
New Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Audit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Industrial Program</b>																
Process & System Upgrades	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monitoring & Targeting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Energy Manager	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Retrofit																
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Home Assistance Program</b>																
Home Assistance Program	n/a	n/a	1.39	0.99	n/a	n/a	1.00	1.00	n/a	n/a	0.84	0.64	n/a	n/a	1.00	1.00
<b>Aboriginal Program</b>																
Home Assistance Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Pre-2011 Programs completed in 2011</b>																
Electricity Retrofit Incentive Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Toronto Comprehensive	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other</b>																
Program Enabled Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

## Summary Achievement Against CDM Targets

Results are recognized using current IESO reporting policies. Energy efficiency resources persist for the duration of the effective useful life. Any upcoming code changes are taken into account. Demand response resources persist for 1 year (Scenario 1). Please see methodology tab for more detailed information.

### Table 4: Net Peak Demand Savings at the End User Level (MW) (Scenario 1)

Implementation Period	Annual			
	2011	2012	2013	2014
2011 - Verified	0.0	0.0	0.0	0.0
2012 - Verified†	0.0	0.0	0.0	0.0
2013 - Verified†	0.0	0.0	0.1	0.1
2014 - Verified†	0.0	0.0	0.0	0.1
<b>Verified Net Annual Peak Demand Savings Persisting in 2014:</b>				<b>0.2</b>
<b>Sioux Lookout Hydro Inc. 2014 Annual CDM Capacity Target:</b>				<b>0.5</b>
<b>Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):</b>				<b>29.6%</b>

### Table 5: Net Energy Savings at the End User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011 - Verified	0.1	0.1	0.1	0.1	0.2
2012 - Verified†	0.0	0.1	0.1	0.1	0.3
2013 - Verified†	0.0	0.0	0.2	0.2	0.4
2014 - Verified†	0.0	0.0	0.04	0.4	0.4
<b>Verified Net Cumulative Energy Savings 2011-2014:</b>					<b>1.3</b>
<b>Sioux Lookout Hydro Inc. 2011-2014 Annual CDM Energy Target:</b>					<b>3.3</b>
<b>Verified Portion of Cumulative Energy Target Achieved in 2014 (%):</b>					<b>40.0%</b>

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year



Table 7: Adjustments to Province-Wide Net Verified Results due to Variances

Initiative	Unit	Incremental Activity (new program activity occurring within the specified reporting period)				Net Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Net Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)				Program-to-Date Verified Progress to Target (excludes DR)	
		2011*	2012*	2013*	2014	2011	2012	2013	2014	2011	2012	2013	2014	2014 Net Annual Peak Demand Savings (kW)	2011-2014 Net Cumulative Energy Savings (kWh)
														2014	2014
<b>Consumer Program</b>															
Appliance Retirement	Appliances	0	0	0		0	0	0		0	0	0		0	0
Appliance Exchange	Appliances	0	0	0		0	0	0		0	0	0		0	0
HVAC Incentives	Equipment	-18,839	2,319	4,705		-5,270	479	1,037		-9,707,002	955,512	1,838,408		-3,754	-32,284,656
Conservation Instant Coupon Booklet	Items	8,216	0	1,050		16	0	2		275,655	0	23,571		18	1,149,763
Bi-Annual Retailer Event	Items	81,817	0	0		108	0	0		2,183,391	0	0		108	8,733,563
Retailer Co-op	Items	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Residential New Construction	Homes	20	2	193		1	1	72		14,667	985	441,938		74	945,497
<b>Consumer Program Total</b>						<b>-5,145</b>	<b>480</b>	<b>1,111</b>		<b>-7,233,290</b>	<b>956,497</b>	<b>2,303,917</b>		<b>-3,555</b>	<b>-21,664,975</b>
<b>Business Program</b>															
Retrofit	Projects	312	876	961		3,208	7,233	11,961		16,266,129	42,498,052	78,146,280		22,056	347,545,386
Direct Install Lighting	Projects	444	197	51		501	204	46		1,250,388	736,541	164,667		620	7,158,143
Building Commissioning	Buildings	0	0	0		0	0	0		0	0	0		0	0
New Construction	Buildings	15	29	72		850	1,304	2,241		3,604,553	4,825,774	8,636,179		4,401	46,187,216
Energy Audit	Audits	119	77	270		604	439	2,383		2,945,189	2,145,367	13,100,635		3,426	44,418,129
Small Commercial Demand Response	Devices	0	0	0		0	0	0		0	0	0		0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
<b>Business Program Total</b>						<b>5,162</b>	<b>9,181</b>	<b>16,631</b>		<b>24,066,259</b>	<b>50,205,734</b>	<b>100,047,761</b>		<b>30,503</b>	<b>385,148,444</b>
<b>Industrial Program</b>															
Process & System Upgrades	Projects	0	0	2		0	0	324		0	0	968,659		324	1,937,318
Monitoring & Targeting	Projects	0	1	3		0	0	54		0	528,000	639,348		54	2,862,696
Energy Manager	Projects	1	93	101		27	1,067	2,395		241,515	8,266,841	25,814,853		4,345	81,853,489
Retrofit	Projects	0	0	0		0	0	0		0	0	0		0	0
Demand Response 3	Facilities	0	0	0		0	0	0		0	0	0		0	0
<b>Industrial Program Total</b>						<b>27</b>	<b>1,067</b>	<b>2,774</b>		<b>241,515</b>	<b>8,794,841</b>	<b>27,422,860</b>		<b>4,723</b>	<b>61,215,516</b>
<b>Home Assistance Program</b>															
Home Assistance Program	Homes	0	887	2,898		0	222	791		0	1,316,749	4,321,794		1,009	12,515,300
<b>Home Assistance Program Total</b>						<b>0</b>	<b>222</b>	<b>791</b>		<b>0</b>	<b>1,316,749</b>	<b>4,321,794</b>		<b>1,009</b>	<b>8,581,177</b>
<b>Aboriginal Program</b>															
Home Assistance Program	Homes	0	0	133		0	0	134		0	0	563,715		134	1,127,430
Direct Install Lighting	Projects	0	0	0		0	0	0		0	0	0		0	0
<b>Aboriginal Program Total</b>						<b>0</b>	<b>0</b>	<b>134</b>		<b>0</b>	<b>0</b>	<b>563,715</b>		<b>134</b>	<b>1,127,430</b>
<b>Pre-2011 Programs completed in 2011</b>															
Electricity Retrofit Incentive Program	Projects	12	0	0		138	0	0		545,536	0	0		138	2,182,145
High Performance New Construction	Projects	37	4	15		1,507	363	-184		2,398,941	2,832,533	-993,596		1,686	16,106,171
Toronto Comprehensive	Projects	0	15	4		0	672	185		0	4,523,517	1,324,388		857	16,219,327
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0		0	0	0		0	0
LDC Custom Programs	Projects	0	0	0		0	0	0		0	0	0		0	0
<b>Pre-2011 Programs completed in 2011 Total</b>						<b>1,645</b>	<b>1,035</b>	<b>2</b>		<b>2,944,477</b>	<b>7,356,050</b>	<b>330,792</b>		<b>2,682</b>	<b>11,104,528</b>
<b>Other</b>															
Program Enabled Savings	Projects	33	55	33		1,776	3,712	2,020		7,727,573	11,481,687	10,688,564		7,509	86,732,481
Time-of-Use Savings	Homes	0	0	0		0	0	0		0	0	0		0	0
LDC Pilots	Projects	0	0	0		0	0	0		0	0	0		0	0
<b>Other Total</b>						<b>1,776</b>	<b>3,712</b>	<b>2,020</b>		<b>7,727,573</b>	<b>11,481,687</b>	<b>10,688,564</b>		<b>7,509</b>	<b>86,732,481</b>
<b>Adjustments to 2011 Verified Results</b>						<b>3,465</b>				<b>27,746,535</b>				<b>3,215</b>	<b>110,143,550</b>
<b>Adjustments to 2012 Verified Results</b>							<b>15,697</b>				<b>80,111,558</b>			<b>15,401</b>	<b>238,780,637</b>
<b>Adjustments to 2013 Verified Results</b>								<b>23,463</b>				<b>145,679,403</b>		<b>24,391</b>	<b>296,465,211</b>
<b>Adjustments to Previous Years' Verified Results Total</b>						<b>3,465</b>	<b>15,697</b>	<b>23,463</b>		<b>27,746,535</b>	<b>80,111,558</b>	<b>145,679,403</b>		<b>43,006</b>	<b>645,389,397</b>

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Adjustments to previous years' results shown in this table will not align to adjustments shown in Table 1 as the information presented above is presented in the implementation year. Adjustments in Table 1 reflect persisted savings in the year in which that adjustment is verified.

**Table 8: Province-Wide Realization Rate & NTG**

Initiative	Peak Demand Savings								Energy Savings							
	Realization Rate				Net-to-Gross Ratio				Realization Rate				Net-to-Gross Ratio			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
<b>Consumer Program</b>																
Appliance Retirement	1.00	1.00	1.00	1.00	0.51	0.46	0.42	0.45	1.00	1.00	1.00	1.00	0.46	0.47	0.44	0.47
Appliance Exchange	1.00	1.00	1.00	1.00	0.51	0.52	0.53	0.53	1.00	1.00	1.00	1.00	0.52	0.52	0.53	0.53
HVAC Incentives	1.00	1.00	1.00	1.00	0.60	0.50	0.48	0.48	1.00	1.00	1.00	1.00	0.50	0.49	0.48	0.48
Conservation Instant Coupon Booklet	1.00	1.00	1.00	1.00	1.14	1.00	1.11	1.69	1.00	1.00	1.00	1.00	1.00	1.05	1.13	1.73
Bi-Annual Retailer Event	1.00	1.00	1.00	1.00	1.12	0.91	1.04	1.74	1.00	1.00	1.00	1.00	0.91	0.92	1.04	1.75
Retailer Co-op	1.00	n/a	n/a	n/a	0.68	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential New Construction	1.00	3.65	0.78	1.03	0.41	0.49	0.63	0.63	3.65	7.17	3.09	0.62	0.49	0.49	0.63	0.63
<b>Business Program</b>																
Retrofit	1.06	0.93	0.92	0.84	0.72	0.75	0.73	0.71	0.93	1.05	1.01	0.98	0.75	0.76	0.73	0.72
Direct Install Lighting	1.08	0.69	0.82	0.78	1.08	0.94	0.94	0.94	0.69	0.85	0.84	0.83	0.94	0.94	0.94	0.94
Building Commissioning	n/a	n/a	n/a	1.97	n/a	n/a	n/a	1.00	n/a	n/a	n/a	1.16	n/a	n/a	n/a	1.00
New Construction	0.50	0.98	0.68	0.71	0.50	0.49	0.54	0.54	0.98	0.99	0.76	0.79	0.49	0.49	0.54	0.54
Energy Audit	n/a	n/a	1.02	0.96	n/a	n/a	0.66	0.68	n/a	n/a	0.97	1.00	n/a	n/a	0.66	0.67
Small Commercial Demand Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Small Commercial Demand Response (IHD)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand Response 3	0.76	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Industrial Program</b>																
Process & System Upgrades	n/a	n/a	0.85	0.96	n/a	n/a	0.94	0.79	n/a	n/a	0.87	0.96	n/a	n/a	0.93	0.80
Monitoring & Targeting	n/a	n/a	n/a	0.59	n/a	n/a	n/a	1.00	n/a	n/a	n/a	0.36	n/a	n/a	n/a	1.00
Energy Manager	n/a	1.16	0.90	0.91	n/a	0.90	0.90	0.90	1.16	1.16	0.90	0.96	0.90	0.90	0.90	0.85
Retrofit	1.11	n/a	n/a	n/a	0.72	n/a	n/a	n/a	0.91	n/a	n/a	n/a	0.75	n/a	n/a	n/a
Demand Response 3	0.84	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Home Assistance Program</b>																
Home Assistance Program	1.00	0.32	0.26	0.49	0.70	1.00	1.00	1.00	0.32	0.99	0.88	0.78	1.00	1.00	1.00	1.00
<b>Aboriginal Program</b>																
Home Assistance Program	n/a	n/a	0.05	0.15	n/a	n/a	1.00	1.00	n/a	n/a	0.95	0.97	n/a	n/a	1.00	1.00
Direct Install Lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Pre-2011 Programs completed in 2011</b>																
Electricity Retrofit Incentive Program	0.80	n/a	n/a	n/a	0.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
High Performance New Construction	1.00	1.00	1.00	n/a	0.49	0.50	0.50	0.50	1.00	1.00	1.00	n/a	0.50	0.50	0.50	0.50
Toronto Comprehensive	1.13	n/a	n/a	n/a	0.50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multifamily Energy Efficiency Rebates	0.93	n/a	n/a	n/a	0.78	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Custom Programs	1.00	n/a	n/a	n/a	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other</b>																
Program Enabled Savings	n/a	1.06	1.00	0.86	n/a	1.00	1.00	1.00	n/a	2.26	1.00	0.98	n/a	1.00	1.00	1.00
Time-of-Use Savings	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LDC Pilots	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

## Summary Provincial Progress Towards CDM Targets

### Table 9: Province-Wide Net Peak Demand Savings at the End User Level (MW)

Implementation Period	Annual			
	2011	2012	2013	2014
2011	216.3	136.6	135.8	129.0
2012†	1.4	253.3	109.8	108.2
2013†	0.6	7.0	404.5	122.0
2014†	1.4	10.8	34.2	568.6
<b>Verified Net Annual Peak Demand Savings in 2014:</b>				<b>927.7</b>
<b>2014 Annual CDM Capacity Target:</b>				<b>1,330</b>
<b>Verified Portion of Peak Demand Savings Target Achieved in 2014 (%):</b>				<b>69.8%</b>

### Table 10: Province-Wide Net Energy Savings at the End-User Level (GWh)

Implementation Period	Annual				Cumulative
	2011	2012	2013	2014	2011-2014
2011	606.9	603.0	601.0	582.3	2,393.1
2012†	18.7	503.6	498.4	492.6	1,513.3
2013†	1.7	44.4	603.3	583.4	1,232.8
2014†	7.3	44.8	191.0	1,170.8	1,413.9
<b>Verified Net Cumulative Energy Savings 2011-2014:</b>					<b>6,553.0</b>
<b>2011-2014 Cumulative CDM Energy Target:</b>					<b>6,000</b>
<b>Verified Portion of Cumulative Energy Target Achieved in 2014 (%):</b>					<b>109.2%</b>

†Includes adjustments to previous years' verified results

Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

## METHODOLOGY

All results are at the end-user level (not including transmission and distribution losses)

EQUATIONS	
Prescriptive Measures and Projects	<p><b>Gross Savings = Activity * Per Unit Assumption</b>  <b>Net Savings = Gross Savings * Net-to-Gross Ratio</b>  <b>All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</b></p>
Engineered and Custom Projects	<p><b>Gross Savings = Reported Savings * Realization Rate</b>  <b>Net Savings = Gross Savings * Net-to-Gross Ratio</b>  <b>All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</b></p>
Demand Response	<p><b>Peak Demand: Gross Savings = Net Savings = contracted MW at contributor level * Provincial contracted to ex ante ratio</b>  <b>Energy: Gross Savings = Net Savings = provincial ex post energy savings * LDC proportion of total provincial contracted MW</b>  <b>All savings are annualized (i.e. the savings are the same regardless of the time of year a participant began offering DR)</b></p>
Adjustments to Previous Years' Verified Results	<p>All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the cumulative effect of energy savings.</p>

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
<b>Consumer Program</b>			
Appliance Retirement	Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	Savings are considered to begin in the year the appliance is picked up.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Appliance Exchange	When postal code information is provided by customer, results are directly attributed to the LDC. When postal code is not available, results allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year that the exchange event occurred.	
HVAC Incentives	Results directly attributed to LDC based on customer postal code.	Savings are considered to begin in the year that the installation occurred.	



Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the coupon was redeemed.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year in which the event occurs.	
Retailer Co-op	When postal code information is provided by the customer, results are directly attributed. If postal code information is not available, results are allocated based on average of 2008 & 2009 residential throughput.	Savings are considered to begin in the year of the home visit and installation date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
Residential Demand Response	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists.	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year and accounts for any "snapback" in energy consumption experienced after the event. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the iCon system. Initiative was not evaluated in 2011, reported results are presented with forecast assumptions as per the business case.	Savings are considered to begin in the year of the project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
<b>Business Program</b>			
Efficiency: Equipment Replacement	Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system. Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	Savings are considered to begin in the year of the actual project completion date in the iCON system.	Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
Additional Note: project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2014)			

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
Existing Building Commissioning Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	Peak demand and energy savings are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the actual project completion date.	
Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year of the audit date.	Peak demand and energy savings are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Commercial Demand Response (part of the Residential program schedule)	Results are directly attributed to LDC based on data provided to IESO through project completion reports and continuing participant lists	Savings are considered to begin in the year the device was installed and/or when a customer signed a peaksaver PLUS™ participant agreement.	Peak demand savings are based on an ex ante estimate assuming a 1 in 10 weather year and represents the "insurance value" of the initiative. Energy savings are based on an ex post estimate which reflects the savings that occurred as a result of activations in the year. Savings are assumed to persist for only 1 year, reflecting that savings will only occur if the resource is activated.
Demand Response 3 (part of the Industrial program schedule)	Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.	Savings are considered to begin in the year in which the contributor signed up to participate in demand response.	Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.
<b>Industrial Program</b>			
Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Monitoring & Targeting	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the incentive project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
Energy Manager	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
<p>Efficiency: Equipment Replacement Incentive (part of the C&amp;I program schedule)</p>	<p>Results are directly attributed to LDC based on LDC identified at the facility level in the saveONenergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see "Reference Tables" tab for Building type to Sector mapping.</p>	<p>Savings are considered to begin in the year of the actual project completion date on the iCON CRM system.</p>	<p>Peak demand and energy savings are determined by the total savings for a given project as reported in the iCON CRM system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&amp;V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).</p>
<p>Demand Response 3</p>	<p>Results are attributed to LDCs based on the total contracted megawatts at the contributor level as of December 31st, applying the provincial ex ante to contracted ratio (ex ante estimate/contracted megawatts); Ex post energy savings are attributed to the LDC based on their proportion of the total contracted megawatts at the contributor level.</p>	<p>Savings are considered to begin in the year in which the contributor signed up to participate in demand response.</p>	<p>Peak demand savings are ex ante estimates based on the load reduction capability that can be expected for the purposes of planning. The ex ante estimates factor in both scheduled non-performances (i.e. maintenance) and historical performance. Energy savings are based on an ex post estimate which reflects the savings that actually occurred as a results of activations in the year. Savings are assumed to persist for 1 year, reflecting that savings will not occur if the resource is not activated and additional costs are incurred to activate the resource.</p>

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
<b>Home Assistance Program</b>			
Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
<b>Aboriginal Program</b>			
Aboriginal Program	Results are directly attributed to LDC based on LDC identified in the application.	Savings are considered to begin in the year in which the measures were installed.	Peak demand and energy savings are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
<b>Pre-2011 Programs completed in 2011</b>			
Electricity Retrofit Incentive Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014 assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported. A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results ( <a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a> ).
High Performance New Construction	Results are directly attributed to LDC based on customer data provided to the OPA from Enbridge; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	
Toronto Comprehensive	Program run exclusively in Toronto Hydro-Electric System Limited service territory; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.		



Initiative	Attributing Savings to LDCs	Savings 'start' Date	Calculating Resource Savings
Multifamily Energy Efficiency Rebates	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated in 2011, 2012, 2013 or 2014, assumptions as per 2010 evaluation.	Savings are considered to begin in the year in which a project was completed.	Peak demand and energy savings are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). If energy savings are not available, an estimate is made based on the kWh to kW ratio in the provincial results from the 2010 evaluated results ( <a href="http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports">http://www.powerauthority.on.ca/evaluation-measurement-and-verification/evaluation-reports</a> ).
Data Centre Incentive Program	Program run exclusively in PowerStream Inc. service territory; Initiative was not evaluated in 2011, assumptions as per 2009 evaluation.		
EnWin Green Suites	Program run exclusively in ENWIN Utilities Ltd. service territory; Initiative was not evaluated in 2011 or 2012, assumptions as per 2010 evaluation.		

### Consumer Program Allocation Methodology

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009

Local Distribution Company	Allocation
Algoma Power Inc.	0.2%
Atikokan Hydro Inc.	0.0%
Attawapiskat Power Corporation	0.0%
Bluewater Power Distribution Corporation	0.6%
Brant County Power Inc.	0.2%
Brantford Power Inc.	0.7%
Burlington Hydro Inc.	1.4%
Cambridge and North Dumfries Hydro Inc.	1.0%
Canadian Niagara Power Inc.	0.5%
Centre Wellington Hydro Ltd.	0.1%
Chapleau Public Utilities Corporation	0.0%
COLLUS Power Corporation	0.3%
Cooperative Hydro Embrun Inc.	0.0%
E.L.K. Energy Inc.	0.2%
Enersource Hydro Mississauga Inc.	3.9%
ENTEGRUS	0.6%
ENWIN Utilities Ltd.	1.6%
Erie Thames Powerlines Corporation	0.4%
Espanola Regional Hydro Distribution Corporation	0.1%
Essex Powerlines Corporation	0.7%
Festival Hydro Inc.	0.3%
Fort Albany Power Corporation	0.0%
Fort Frances Power Corporation	0.1%
Greater Sudbury Hydro Inc.	1.0%
Grimsby Power Inc.	0.2%
Guelph Hydro Electric Systems Inc.	0.9%
Haldimand County Hydro Inc.	0.4%
Halton Hills Hydro Inc.	0.5%
Hearst Power Distribution Company Limited	0.1%
Horizon Utilities Corporation	4.0%
Hydro 2000 Inc.	0.0%
Hydro Hawkesbury Inc.	0.1%
Hydro One Brampton Networks Inc.	2.8%
Hydro One Networks Inc.	30.0%
Hydro Ottawa Limited	5.6%
Innisfil Hydro Distribution Systems Limited	0.4%
Kashechewan Power Corporation	0.0%
Kenora Hydro Electric Corporation Ltd.	0.1%
Kingston Hydro Corporation	0.5%
Kitchener-Wilmot Hydro Inc.	1.6%
Lakefront Utilities Inc.	0.2%

Lakeland Power Distribution Ltd.	0.2%
London Hydro Inc.	2.7%
Middlesex Power Distribution Corporation	0.1%
Midland Power Utility Corporation	0.1%
Milton Hydro Distribution Inc.	0.6%
Newmarket - Tay Power Distribution Ltd.	0.7%
Niagara Peninsula Energy Inc.	1.0%
Niagara-on-the-Lake Hydro Inc.	0.2%
Norfolk Power Distribution Inc.	0.3%
North Bay Hydro Distribution Limited	0.5%
Northern Ontario Wires Inc.	0.1%
Oakville Hydro Electricity Distribution Inc.	1.5%
Orangeville Hydro Limited	0.2%
Orillia Power Distribution Corporation	0.3%
Oshawa PUC Networks Inc.	1.2%
Ottawa River Power Corporation	0.2%
Parry Sound Power Corporation	0.1%
Peterborough Distribution Incorporated	0.7%
PowerStream Inc.	6.6%
PUC Distribution Inc.	0.9%
Renfrew Hydro Inc.	0.1%
Rideau St. Lawrence Distribution Inc.	0.1%
Sioux Lookout Hydro Inc.	0.1%
St. Thomas Energy Inc.	0.3%
Thunder Bay Hydro Electricity Distribution Inc.	0.9%
Tillsonburg Hydro Inc.	0.1%
Toronto Hydro-Electric System Limited	12.8%
Veridian Connections Inc.	2.4%
Wasaga Distribution Inc.	0.2%
Waterloo North Hydro Inc.	1.0%
Welland Hydro-Electric System Corp.	0.4%
Wellington North Power Inc.	0.1%
West Coast Huron Energy Inc.	0.1%
Westario Power Inc.	0.5%
Whitby Hydro Electric Corporation	0.9%
Woodstock Hydro Services Inc.	0.3%

## Reporting Glossary

**Annual:** the peak demand or energy savings that occur in a given year (includes resource savings from new program activity and resource savings persisting from previous years).

**Cumulative Energy Savings:** represents the sum of the annual energy savings that accrue over a defined period (in the context of this report the defined period is 2011 - 2014). This concept does not apply to peak demand savings.

**End-User Level:** resource savings in this report are measured at the customer level as opposed to the generator level (the difference being line losses).

**Free-ridership:** the percentage of participants who would have implemented the program measure or practice in the absence of the program.

**Incremental:** the new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.

**Initiative:** a Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup).

**Net-to-Gross Ratio:** The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover

**Net Energy Savings (MWh):** energy savings attributable to conservation and demand management activities net of free-riders, etc.

**Net Peak Demand Savings (MW):** peak demand savings attributable to conservation and demand management activities net of free-riders, etc.

**Program:** a group of initiatives that target a particular market sector (e.g. Consumer, Industrial).

**Realization Rate:** A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.

**Settlement Account:** the grouping of demand response facilities (contributors) into one contractual agreement

**Spillover:** Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.

**Unit:** for a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).

Table 11: Sioux Lookout Hydro Inc. Initiative and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
<b>Consumer Program</b>									
Appliance Retirement**	Appliances	4	1	3	6	25,993	10,613	18,980	37,658
Appliance Exchange**	Appliances	0	0	0	0	219	82	702	702
HVAC Incentives	Equipment	1	0	0	1	2,364	603	0	1,416
Conservation Instant Coupon Booklet	Items	1	0	0	1	14,312	1,114	5,751	13,708
Bi-Annual Retailer Event	Items	1	1	1	4	22,609	24,561	13,819	59,049
Retailer Co-op	Items	0	0	0	0	0	0	0	0
Residential Demand Response	Devices	0	0	0	0	0	0	0	0
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	0	0	0	0	0	0	0
<b>Consumer Program Total</b>		<b>8</b>	<b>3</b>	<b>5</b>	<b>12</b>	<b>65,498</b>	<b>36,974</b>	<b>39,252</b>	<b>112,534</b>
<b>Business Program</b>									
Retrofit	Projects	0	0	0	16	0	0	0	43,435
Direct Install Lighting	Projects	2	20	56	16	6,447	61,825	185,658	56,050
Building Commissioning	Buildings	0	0	0	0	0	0	0	0
New Construction	Buildings	0	0	0	0	0	0	0	0
Energy Audit	Audits	0	0	0	0	0	0	0	0
Small Commercial Demand Response	Devices	0	0	0	0	0	0	0	0
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0
<b>Business Program Total</b>		<b>2</b>	<b>20</b>	<b>56</b>	<b>33</b>	<b>6,447</b>	<b>61,825</b>	<b>185,658</b>	<b>99,486</b>
<b>Industrial Program</b>									
Process & System Upgrades	Projects	0	0	0	0	0	0	0	0
Monitoring & Targeting	Projects	0	0	0	0	0	0	0	0
Energy Manager	Projects	0	0	0	0	0	0	0	0
Retrofit	Projects	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	0	0	0	0	0	0	0	0
<b>Industrial Program Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Home Assistance Program</b>									
Home Assistance Program	Homes	0	0	0	7	0	0	1,156	91,975
<b>Home Assistance Program Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>1,156</b>	<b>91,975</b>
<b>Aboriginal Program</b>									
Home Assistance Program	Homes	0	0	0	0	0	0	0	0
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
<b>Aboriginal Program Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-2011 Programs completed in 2011</b>									
Electricity Retrofit Incentive Program	Projects	0	0	0	0	0	0	0	0
High Performance New Construction	Projects	0	0	0	0	348	184	0	0
Toronto Comprehensive	Projects	0	0	0	0	0	0	0	0
Multifamily Energy Efficiency Rebates	Projects	0	0	0	0	0	0	0	0
LDC Custom Programs	Projects	0	0	0	0	0	0	0	0
<b>Pre-2011 Programs completed in 2011 Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>348</b>	<b>184</b>	<b>0</b>	<b>0</b>
<b>Other</b>									
Program Enabled Savings	Projects	0	0	0	0	0	0	0	0
Time-of-Use Savings	Homes	0	0	0	21	0	0	0	0
LDC Pilots	Projects	0	0	0	0	0	0	0	0
<b>Other Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Adjustments to 2011 Verified Results</b>									
<b>Adjustments to 2012 Verified Results</b>									
<b>Adjustments to 2013 Verified Results</b>									
<b>Energy Efficiency Total</b>		<b>10</b>	<b>24</b>	<b>61</b>	<b>73</b>	<b>72,293</b>	<b>98,983</b>	<b>226,066</b>	<b>303,995</b>
<b>Demand Response Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Adjustments to Previous Years' Verified Results Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,966</b>	<b>14</b>	<b>40,817</b>
<b>OPA-Contracted LDC Portfolio Total (inc. Adjustments)</b>		<b>10</b>	<b>24</b>	<b>61</b>	<b>73</b>	<b>72,293</b>	<b>100,949</b>	<b>226,080</b>	<b>344,812</b>

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

\*Includes adjustments after Final Reports were issued  
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results  
\*\*Net results substituted for gross results due to unavailability of data

Table 12: Adjustments to Sioux Lookout Hydro Inc. Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
<b>Consumer Program</b>									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	0	0	0		-244	14	0	
Conservation Instant Coupon Booklet	Items	0	0	0		215	0	17	
Bi-Annual Retailer Event	Items	0	0	0		1,995	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	0	0	0		0	0	0	
<b>Consumer Program Total</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>1,966</b>	<b>14</b>	<b>17</b>	
<b>Business Program</b>									
Retrofit	Projects	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	0	0	0		0	0	0	
Energy Audit	Audits	0	0	0		0	0	0	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
<b>Business Program Total</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<b>Industrial Program</b>									
Process & System Upgrades	Projects	0	0	0		0	0	0	
Monitoring & Targeting	Projects	0	0	0		0	0	0	
Energy Manager	Projects	0	0	0		0	0	0	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
<b>Industrial Program Total</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<b>Home Assistance Program</b>									
Home Assistance Program	Homes	0	0	4		0	0	42,864	
<b>Home Assistance Program Total</b>		<b>0</b>	<b>0</b>	<b>4</b>		<b>0</b>	<b>0</b>	<b>42,864</b>	
<b>Aboriginal Program</b>									
Home Assistance Program	Homes	0	0	0		0	0	0	
Direct Install Lighting	Projects	0	0	0		0	0	0	
<b>Aboriginal Program Total</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<b>Pre-2011 Programs completed in 2011</b>									
Electricity Retrofit Incentive Program	Projects	0	0	0		0	0	0	
High Performance New Construction	Projects	0	0	0		0	0	0	
Toronto Comprehensive	Projects	0	0	0		0	0	0	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
<b>Pre-2011 Programs completed in 2011 Total</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<b>Other</b>									
Program Enabled Savings	Projects	0	0	0		0	0	0	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
<b>Other Total</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	
<b>Adjustments to 2011 Verified Results</b>		<b>0</b>				<b>1,966</b>			
<b>Adjustments to 2012 Verified Results</b>			<b>0</b>				<b>14</b>		
<b>Adjustments to 2013 Verified Results</b>				<b>4</b>				<b>42,881</b>	
<b>Total Adjustments to Previous Years' Verified Results</b>		<b>0</b>	<b>0</b>	<b>4</b>		<b>1,966</b>	<b>14</b>	<b>42,881</b>	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results

Table 13: Province-Wide Initiatives and Program Level Gross Savings by Year

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
<b>Consumer Program</b>									
Appliance Retirement**	Appliances	6,750	2,011	3,151	3,579	45,971,627	13,424,518	18,616,239	20,315,770
Appliance Exchange**	Appliances	719	556	2,101	2,238	873,531	974,621	3,746,106	3,990,372
HVAC Incentives	Equipment	53,209	38,346	40,418	48,467	99,413,430	66,929,213	71,225,037	90,274,814
Conservation Instant Coupon Booklet	Items	1,184	231	464	1,442	19,192,453	1,325,898	6,842,244	19,000,254
Bi-Annual Retailer Event	Items	1,504	1,622	1,142	4,626	26,899,265	29,222,072	16,441,329	70,254,471
Retailer Co-op	Items	0	0	0	0	3,917	0	0	0
Residential Demand Response	Devices	10,390	49,038	93,076	117,513	23,597	359,408	390,303	8,379
Residential Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Residential New Construction	Homes	0	1	29	587	1,813	4,884	259,826	3,699,786
<b>Consumer Program Total</b>		<b>73,757</b>	<b>91,805</b>	<b>140,380</b>	<b>178,452</b>	<b>192,379,633</b>	<b>112,240,615</b>	<b>117,521,084</b>	<b>207,543,846</b>
<b>Business Program</b>									
Retrofit	Projects	34,201	78,965	82,896	98,849	184,070,265	387,817,248	478,410,896	642,515,421
Direct Install Lighting	Projects	22,155	20,469	19,807	24,794	65,777,197	68,896,046	68,140,249	89,528,509
Building Commissioning	Buildings	0	0	0	988	0	0	0	1,513,377
New Construction	Buildings	247	1,596	2,934	11,911	823,434	3,755,869	9,183,826	37,742,970
Energy Audit	Audits	0	1,450	4,283	9,367	0	7,049,351	23,386,108	46,012,517
Small Commercial Demand Response	Devices	55	187	773	2,116	131	1,068	373	319
Small Commercial Demand Response (IHD)	Devices	0	0	0	0	0	0	0	0
Demand Response 3	Facilities	21,390	19,389	23,706	23,380	633,421	281,823	346,659	0
<b>Business Program Total</b>		<b>78,048</b>	<b>122,056</b>	<b>134,399</b>	<b>171,405</b>	<b>251,304,448</b>	<b>467,801,406</b>	<b>579,468,111</b>	<b>817,313,113</b>
<b>Industrial Program</b>									
Process & System Upgrades	Projects	0	0	313	12,287	0	0	2,799,746	90,463,617
Monitoring & Targeting	Projects	0	0	0	102	0	0	0	502,517
Energy Manager	Projects	0	1,034	3,953	5,767	0	7,067,535	24,438,070	44,929,364
Retrofit	Projects	6,372	0	0	0	38,412,408	0	0	0
Demand Response 3	Facilities	176,180	74,056	162,543	166,082	4,243,958	1,784,712	4,309,160	0
<b>Industrial Program Total</b>		<b>182,552</b>	<b>75,090</b>	<b>166,809</b>	<b>184,238</b>	<b>42,656,366</b>	<b>8,852,247</b>	<b>31,546,976</b>	<b>135,895,498</b>
<b>Home Assistance Program</b>									
Home Assistance Program	Homes	4	1,777	2,361	2,466	56,119	5,524,230	20,987,275	19,582,658
<b>Home Assistance Program Total</b>		<b>4</b>	<b>1,777</b>	<b>2,361</b>	<b>2,466</b>	<b>56,119</b>	<b>5,524,230</b>	<b>20,987,275</b>	<b>19,582,658</b>
<b>Aboriginal Program</b>									
Home Assistance Program	Homes	0	0	267	549	0	0	1,609,393	3,101,207
Direct Install Lighting	Projects	0	0	0	0	0	0	0	0
<b>Aboriginal Program Total</b>		<b>0</b>	<b>0</b>	<b>267</b>	<b>549</b>	<b>0</b>	<b>0</b>	<b>1,609,393</b>	<b>3,101,207</b>
<b>Pre-2011 Programs completed in 2011</b>									
Electricity Retrofit Incentive Program	Projects	40,418	0	0	0	223,956,390	0	0	0
High Performance New Construction	Projects	10,197	6,501	772	268	52,371,183	23,803,888	3,522,240	1,377,475
Toronto Comprehensive	Projects	33,467	0	0	802	174,070,574	0	0	7,085,257
Multifamily Energy Efficiency Rebates	Projects	2,553	0	0	0	9,774,792	0	0	0
LDC Custom Programs	Projects	534	0	0	0	649,140	0	0	0
<b>Pre-2011 Programs completed in 2011 Total</b>		<b>87,169</b>	<b>6,501</b>	<b>772</b>	<b>1,070</b>	<b>460,822,079</b>	<b>23,803,888</b>	<b>3,522,240</b>	<b>8,462,733</b>
<b>Other</b>									
Program Enabled Savings	Projects	0	2,177	3,692	5,500	0	525,011	4,075,382	19,035,337
Time-of-Use Savings	Homes	0	0	0	54,795	0	0	0	0
LDC Pilots	Projects	0	0	0	1,170	0	0	0	5,061,522
<b>Other Total</b>		<b>0</b>	<b>2,177</b>	<b>3,692</b>	<b>60,296</b>	<b>0</b>	<b>525,011</b>	<b>4,075,382</b>	<b>19,035,337</b>
<b>Adjustments to 2011 Verified Results</b>			<b>13,266</b>	<b>645</b>	<b>1,601</b>		<b>48,705,294</b>	<b>20,581</b>	<b>6,028</b>
<b>Adjustments to 2012 Verified Results</b>				<b>8,632</b>	<b>13,449</b>			<b>54,301,893</b>	<b>59,098,939</b>
<b>Adjustments to 2013 Verified Results</b>					<b>34,727</b>				<b>206,413,158</b>
<b>Energy Efficiency Total</b>		<b>213,515</b>	<b>156,735</b>	<b>168,583</b>	<b>289,384</b>	<b>942,317,539</b>	<b>616,320,385</b>	<b>753,683,966</b>	<b>1,210,925,694</b>
<b>Demand Response Total</b>		<b>208,015</b>	<b>142,670</b>	<b>280,099</b>	<b>309,091</b>	<b>4,901,107</b>	<b>2,427,011</b>	<b>5,046,495</b>	<b>8,698</b>
<b>Adjustments to Previous Years' Verified Results Total</b>		<b>0</b>	<b>13,266</b>	<b>9,277</b>	<b>49,777</b>	<b>0</b>	<b>48,705,294</b>	<b>54,322,474</b>	<b>265,518,125</b>
<b>OPA-Contracted LDC Portfolio Total (inc. Adjustments)</b>		<b>421,530</b>	<b>312,671</b>	<b>457,958</b>	<b>648,252</b>	<b>947,218,646</b>	<b>667,452,690</b>	<b>813,052,934</b>	<b>1,476,452,516</b>

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results  
 \*\*Net results substituted for gross results due to unavailability of data

Table 14: Adjustments to Province-Wide Gross Verified Results due to Variances

Initiative	Unit	Gross Incremental Peak Demand Savings (kW) (new peak demand savings from activity within the specified reporting period)				Gross Incremental Energy Savings (kWh) (new energy savings from activity within the specified reporting period)			
		2011	2012	2013	2014	2011	2012	2013	2014
<b>Consumer Program</b>									
Appliance Retirement	Appliances	0	0	0		0	0	0	
Appliance Exchange	Appliances	0	0	0		0	0	0	
HVAC Incentives	Equipment	-8,759	1,091	2,157		-16,241,086	1,952,473	3,873,449	
Conservation Instant Coupon Booklet	Items	15	0	1		255,975	0	20,668	
Bi-Annual Retailer Event	Items	117	0	0		2,373,616	0	0	
Retailer Co-op	Items	0	0	0		0	0	0	
Residential Demand Response	Devices	0	0	0		0	0	0	
Residential Demand Response (IHD)	Devices	0	0	0		0	0	0	
Residential New Construction	Homes	1	1	115		330,093	2,009	701,488	
<b>Consumer Program Total</b>		<b>-8,628</b>	<b>1,092</b>	<b>2,273</b>		<b>-13,281,402</b>	<b>1,954,483</b>	<b>4,595,605</b>	
<b>Business Program</b>									
Retrofit	Projects	4,511	10,114	16,584		22,046,931	58,528,789	108,677,566	
Direct Install Lighting	Projects	541	217	49		1,346,618	781,858	174,460	
Building Commissioning	Buildings	0	0	0		0	0	0	
New Construction	Buildings	3,287	2,673	4,151		11,323,593	9,884,305	15,992,924	
Energy Audit	Audits	656	488	3,631		2,391,744	2,386,374	19,822,524	
Small Commercial Demand Response	Devices	0	0	0		0	0	0	
Small Commercial Demand Response (IHD)	Devices	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
<b>Business Program Total</b>		<b>8,996</b>	<b>13,491</b>	<b>24,414</b>		<b>37,108,886</b>	<b>71,581,326</b>	<b>144,667,473</b>	
<b>Industrial Program</b>									
Process & System Upgrades	Projects	0	0	426		0	0	1,232,785	
Monitoring & Targeting	Projects	0	0	54		0	528,000	639,348	
Energy Manager	Projects	29	1,071	2,687		0	8,968,007	28,893,596	
Retrofit	Projects	0	0	0		0	0	0	
Demand Response 3	Facilities	0	0	0		0	0	0	
<b>Industrial Program Total</b>		<b>29</b>	<b>1,071</b>	<b>3,168</b>		<b>0</b>	<b>9,496,007</b>	<b>30,765,729</b>	
<b>Home Assistance Program</b>									
Home Assistance Program	Homes	0	222	791		0	1,316,749	4,321,794	
<b>Home Assistance Program Total</b>		<b>0</b>	<b>222</b>	<b>791</b>		<b>0</b>	<b>1,316,749</b>	<b>4,321,794</b>	
<b>Aboriginal Program</b>									
Home Assistance Program	Homes	0	0	134		0	0	563,715	
Direct Install Lighting	Projects	0	0	0		0	0	0	
<b>Aboriginal Program Total</b>		<b>0</b>	<b>0</b>	<b>134</b>		<b>0</b>	<b>0</b>	<b>563,715</b>	
<b>Pre-2011 Programs completed in 2011</b>									
Electricity Retrofit Incentive Program	Projects	266	0	0		1,049,108	0	0	
High Performance New Construction	Projects	13,072	727	405		23,905,663	5,665,066	1,535,048	
Toronto Comprehensive	Projects	0	1,920	529		0	12,924,335	3,783,965	
Multifamily Energy Efficiency Rebates	Projects	0	0	0		0	0	0	
LDC Custom Programs	Projects	0	0	0		0	0	0	
<b>Pre-2011 Programs completed in 2011 Total</b>		<b>13,337</b>	<b>2,647</b>	<b>934</b>		<b>24,954,771</b>	<b>18,589,400</b>	<b>5,319,013</b>	
<b>Other</b>									
Program Enabled Savings	Projects	1,776	3,712	2,020		1,673,712	11,481,687	10,688,564	
Time-of-Use Savings	Homes	0	0	0		0	0	0	
LDC Pilots	Projects	0	0	0		0	0	0	
<b>Other Total</b>		<b>1,776</b>	<b>3,712</b>	<b>2,020</b>		<b>1,673,712</b>	<b>11,481,687</b>	<b>10,688,564</b>	
<b>Adjustments to 2011 Verified Results</b>		<b>15,511</b>				<b>50,455,967</b>			
<b>Adjustments to 2012 Verified Results</b>			<b>22,235</b>				<b>114,419,652</b>		
<b>Adjustments to 2013 Verified Results</b>				<b>33,734</b>				<b>200,921,892</b>	
<b>Adjustments to Previous Years' Verified Results Total</b>		<b>15,511</b>	<b>22,235</b>	<b>33,734</b>		<b>50,455,967</b>	<b>114,419,652</b>	<b>200,921,892</b>	

Activity and savings for Demand Response resources for each year represent the savings from all active facilities or devices contracted since January 1, 2011 (reported cumulatively).

\*Includes adjustments after Final Reports were issued  
Results presented using scenario 1 which assumes that demand response resources have a persistence of 1 year

Gross results are presented for informational purposes only and are not considered official 2014 Final Verified Results



**Appendix 4G: SLHI 2015 Final IESO CDM Results**

# Final 2015 Annual Verified Results Report

## Letter from the Vice-President, Conservation & Corporate Relations

June 30, 2016

The IESO is pleased to provide the Final 2015 Annual Verified Results Report including final 2015 Project Lists and EM&V Key Findings & FAQs. Collectively LDCs achieved 1.1 TWh of energy savings persisting to 2020 – representing 16% of the 7 TWh target. These results were achieved through both Legacy Framework and Conservation First Framework (CFF) programs. The results indicate a smooth transition between frameworks and demonstrate the continued collaboration between LDCs and the IESO in promoting a culture of conservation across the province.

The IESO remains committed to supporting LDCs in the delivery of conservation programs and 2015 marked some significant milestones, including the completion and approval of over 40 CDM plans and the implementation of 14 pilot programs and 5 local programs. Other highlights include:

- Business sector accounted for 79% of the net energy savings persisting to 2020 with the remainder 21% through the Residential sector.
- The Coupons program shifted toward ENERGY STAR® rated LED lighting, accounting for roughly 90% of coupons redeemed.
- The Retrofit program participation increased nearly 20%, and net energy savings increased by over 50% over 2014 results. Net-to-gross adjustments are trending higher than previous years, minimum of a 75% net-to-gross in all regions.
- The Process & Systems Upgrades program achieved a 20% increase in Capital Incentive projects totalling 12 in all, including 4 Behind-the-Meter Generation, and a broad spectrum of industrial processes and end-uses.

2015 also marks the first year that regional and local net-to-gross values have been employed where possible in certain programs, providing LDCs with a more granular analysis on their individual results.

CFF provides many opportunities to support LDCs in achieving their energy targets and delivering value to customers. Through increased flexibility for LDCs to design and deliver programs based on local needs and fostering collaboration and innovation through enhanced program funding opportunities we are well positioned to achieve success in delivering effective conservation programs to all customers.

We appreciate your collaboration and cooperation throughout the reporting and evaluation process and as we look ahead to the remainder of 2016, the IESO will be focusing on improving its communication and support services to further enhance the participation in conservation programs for both LDCs and customers.

Please continue to monitor Save on Energy E-blasts for future updates and should you have any other questions or comments please contact [LDC.Support@ieso.ca](mailto:LDC.Support@ieso.ca).

I look forward to continuing to work together in achieving success in the Conservation First Framework.

Sincerely,

Terry Young  
Vice-President, Conservation & Corporate Relations  
Independent Electricity System Operator

# Final 2015 Annual Verified Results Report

## Table of Contents

#	Worksheet Name	Worksheet Description
1	How to Use This Report	Describes the contents and structure of this report
2	Report Summary	<p>A high level summary of the Final 2015 Annual Verified Results Report, including:</p> <ol style="list-style-type: none"> <li>1) progress toward the LDC's               <ol style="list-style-type: none"> <li>a) Allocated 2020 Energy Savings Target;</li> <li>b) Allocated 2015-2020 LDC CDM Plan Budget;</li> <li>c) CDM Plan 2015-2020 Forecasts;</li> </ol> </li> <li>3) annual savings and spending;</li> <li>4) Annual FCR Progress;</li> <li>5) annual LDC CDM Plan spending progress;</li> <li>6) graphs describing:               <ol style="list-style-type: none"> <li>a) contribution to 2020 Target Achievement by program;</li> <li>b) 2015 LDC CDM Plan Budget Spending by Sector;</li> <li>c) annual energy savings persistence to 2020 by year;</li> <li>d) your Allocated Target achievement progress relative to your peers; and</li> <li>e) your LDC CDM Plan Budget Spending progress relative to your peers;</li> </ol> </li> </ol>
3	LDC Progress	<p>A comprehensive report of 2015 conservation results including:</p> <ol style="list-style-type: none"> <li>1) activity;</li> <li>2) savings including:               <ol style="list-style-type: none"> <li>a) energy and demand;</li> <li>b) net and gross;</li> </ol> </li> <li>c) CDM Plan forecasts, verified actuals and relative progress;</li> <li>d) Allocated Target and Target achievement; and</li> <li>3) spending, including participant incentives and administrative expenses.</li> </ol> <p>Data is grouped by category and summarized at the LDC level.</p>
4	Province-Wide Progress	<p>A comprehensive report of 2015 conservation results including:</p> <ol style="list-style-type: none"> <li>1) activity;</li> <li>2) savings including:               <ol style="list-style-type: none"> <li>a) energy and demand;</li> <li>b) net and gross;</li> </ol> </li> <li>c) CDM Plan forecasts, verified actuals and relative progress;</li> <li>d) Allocated Target and Target achievement; and</li> <li>3) spending, including participant incentives and administrative expenses.</li> </ol> <p>Data is grouped by category and summarized at the province-wide level.</p>
5	IESO Value Added Services Costs	Provision of the LDCs and the Province-Wide aggregated IESO Value Added Services activity and costs for each year.
6	Methodology	Description of the methods used to calculate energy savings, financial results and cost-effectiveness.
7	Reference Tables	Consumer Program Province-Wide results allocation to specific LDCs.
8	Glossary	Definitions for the terms used throughout this report.

# Final 2015 Annual Verified Results Report

## How to use this 2015 Annual Verified Results Report

The IESO is pleased to provide you with the 2015 Annual Verified Results Report.

This report provides:

- 1) electricity savings;
- 2) annual Full Cost Recovery funding model program progress; and
- 3) peak demand savings;
- 4) IESO Value Added Services Costs in accordance with Section 9.2(b)(i) of the Energy Conservation Agreement.

In addition to the above, this report also provides in greater detail:

- 1) program participation results including:
  - a) forecasts; b) actuals; and c) progress (forecast versus (vs) actuals);
- 2) program savings results including:
  - a) net 2020 annual energy savings;
  - b) allocated target, target achievement and progress towards target;
  - c) incremental net first year energy savings;
  - d) incremental net first year demand savings;
  - e) annual net-to-gross and realization rate adjustments;
  - f) incremental gross first year energy savings; and
  - g) incremental gross first year demand savings; and where available reported by: i) forecasts; ii) verified actuals; and iii) progress (forecast vs actuals);
- 3) program spending including:
  - a) participation incentive spending;
  - b) administrative expense spending (including IESO value-added services costs);
  - c) aggregated total spending; and for each cost: i) forecasts; ii) verified actuals; and iii) progress (forecast vs actuals);

by both the LDC specific level and the province-wide aggregated level. This report's format is consistent with the IESO issued Monthly Participation and Cost Report in that it is a dynamic sheet that can be expanded or collapsed by clicking the + button or "Show Detail" feature under the Data tab. Each of the four results categories listed above have been grouped together for easy accessibility.

The screenshot shows an Excel spreadsheet titled 'Province-Wide Progress'. The columns are color-coded and labeled as follows:
 

- Participation** (orange): Progress Towards 2020 Net Annual Energy Savings Target, Net Incremental First Year Energy Savings, Net Incremental First Year Peak Demand Savings, Net-to-Gross and Realization Rate Adjustments - Actual, Gross Incremental First Year Energy Savings, Gross Incremental First Year Peak Demand Savings, Savings Group.
- Participant Incentive Spending** (light blue): Participant Incentive Spending.
- Administrative Expense Spending** (light blue): Administrative Expense Spending.
- Total Spending** (light blue): Total Spending.
- Spending Group** (light blue): Spending Group.
- Cost Effectiveness Tests** (purple): Total Resource Cost - Cost Effectiveness Test - Actual, Program Administrator Cost - Cost Effectiveness Test - Actual, Levelized Unit Energy Cost - Cost Effectiveness Test - Actual, Cost Effectiveness Tests Group.

 The rows are grouped into several program categories: Residential Program, Commercial & Institutional Program, Industrial Program, and Low Income Program. Each category has a 'Sub-total' row.

Please note:

- 1) Cost Effectiveness Test (CET) results including:
  - a) total resource cost test;
  - b) program administration cost test;
  - c) levelized unit energy cost test; and for each test: i) benefits; ii) cost; iii) net benefit; iv) benefit ratio; will not be available for the 2015 program year in this report but will be provided to LDCs in August 2016.
- 2) forecasts of: a) activity; b) savings; and c) spending; included in this report are based on LDC submitted and IESO received CDM Plan - Cost Effectiveness Tools as of May 16, 2016 (from the i) Program Design; ii) Budget Inputs; iii) Savings Results; and iv) CE Results; worksheets); Please note that this does not contain data for Legacy Framework program spending or CFF pilot program activity, savings, spending or cost effectiveness.
- 3) Annual FCR Progress only includes Full Cost Recovery funded program savings. In future reports, any Pay-for-Performance funded programs will be reported as a separate line item.
- 4) The complete list of programs and pilots launched into market in 2015 has been included, however no programs and pilots were in market for a sufficient period of time to enable a valid EM&V process. Therefore these programs and pilots have nothing to report at this time and have cells greyed out rather than reporting zero savings or spending. Any results in 2015 will be determined in a subsequent EM&V process and will be included in a future year's Annual Verified Results Report as a 2015 adjustment;
- 5) Pilot program savings are attributed to the LDC where the pilot program project is located in; and
- 6) This Annual Verified Results Report provides results for the LDC and province only. No aggregated

# Final 2015 Annual Verified Results Report Summary

For: **Sioux Lookout Hydro Inc.**

## Target Achievement

#	Metric	2015 Verified Results	2015-2020 Total CDM Plan Forecast	2015 Verified Results versus CDM Plan (%)	2015-2020 Total Allocated Target / Budget	2015 Verified Results versus Allocated Target / Budget (%)	LDC Ranking in the Province out of 75  (2015 Verified Results versus Allocated Target / Budget (%))
1	Net Verified Annual Energy Savings Persisting to 2020 (MWh)	537.109	3,700.000	15	3,700.000	15	37
2	Total Spending (\$)	0	1,219,314	0	1,016,095	0	30

## Annual Results

#	Metric	2015	2016	2017	2018	2019	2020	Total
1	Net Verified Annual Energy Savings Persisting to 2020 (MWh)	537.109						537.109
2	Net Verified Incremental First Year Energy Savings (MWh)	579.767						579.767
3	Total Spending (\$)	0						0
4	Total Resource Cost Test (Ratio)	n/a						n/a
5	Program Administrator Cost Test (Ratio)	n/a						n/a
6	Levelized Unit Energy Cost Result (\$/kWh)	n/a						n/a

## Annual Full Cost Recovery Progress

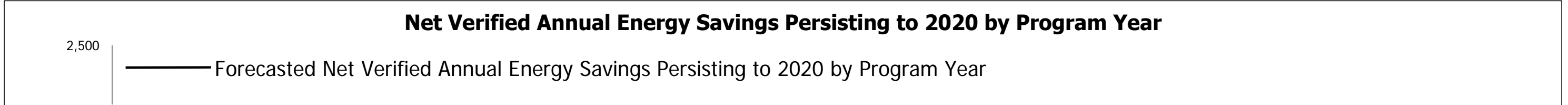
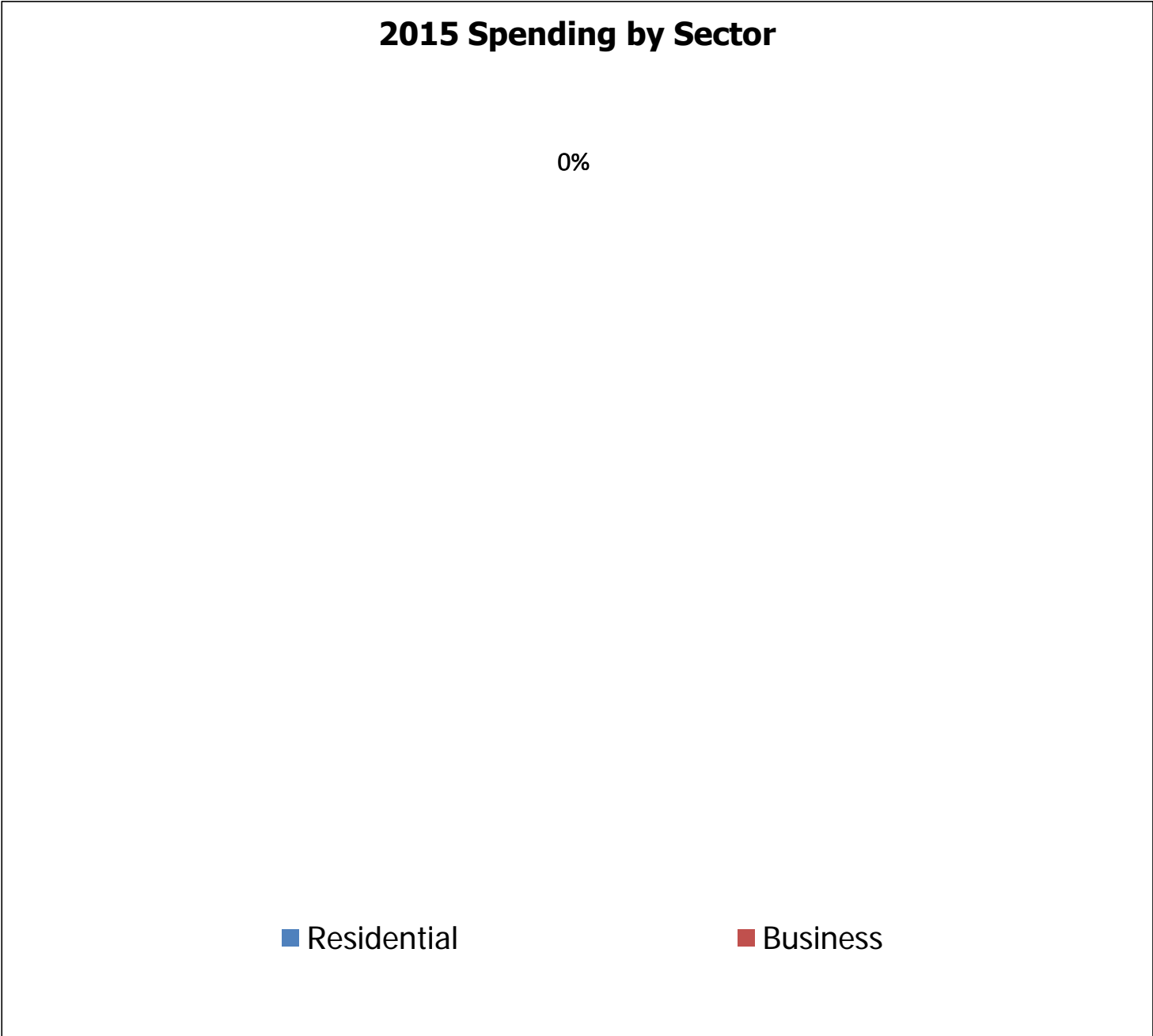
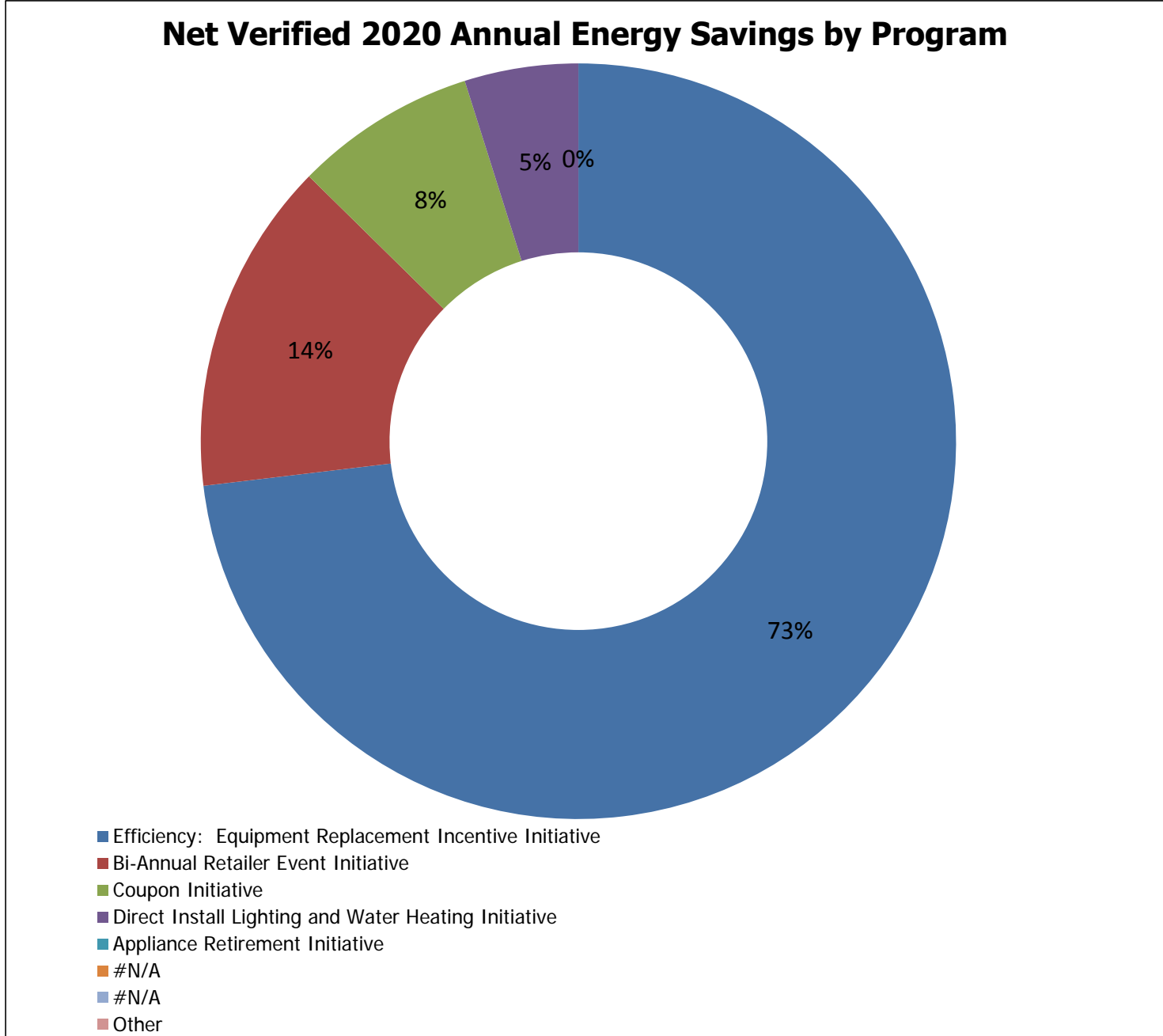
#	Metric	Result
1	Net Verified 2015 Annual Energy Savings from Full Cost Recovery Programs (MWh)	579.767

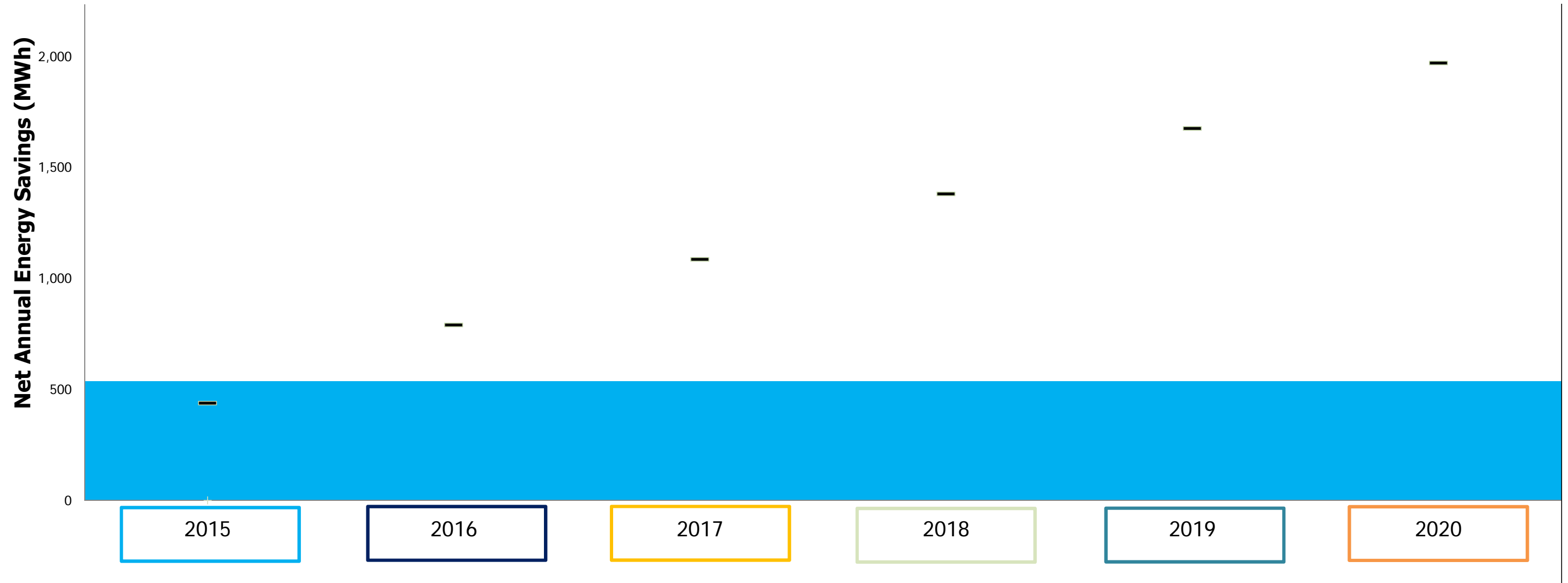
## Budget Progress

#	Metric	Result
1	2015 Spending (\$)	0

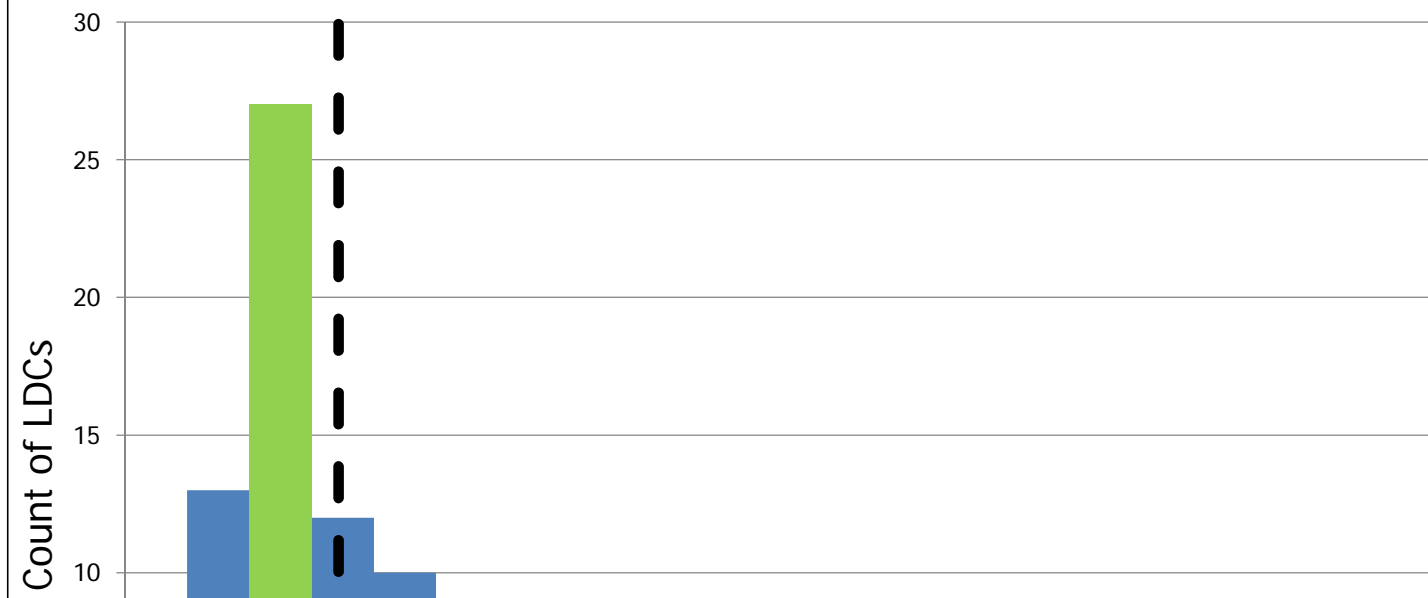
2	Net 2015 Annual Energy Savings from Full Cost Recovery Program per CDM Plan Forecast (MWh)	438.115
3	Annual Full Cost Recovery Progress (%)	132

2	2015 CDM Plan Budget (\$)	0
3	CDM Plan Budget Progress (%)	0



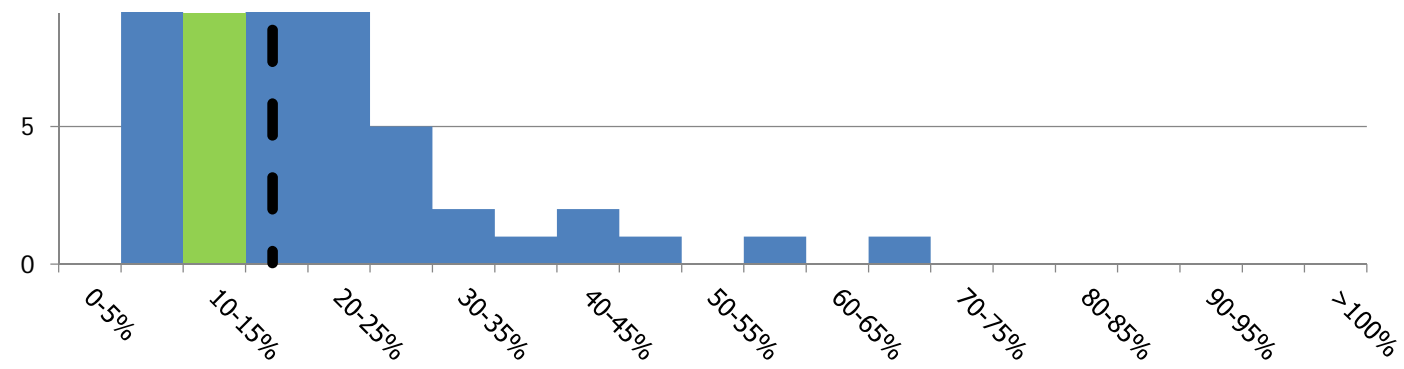


**Allocated Target Achievement relative to LDC Community**



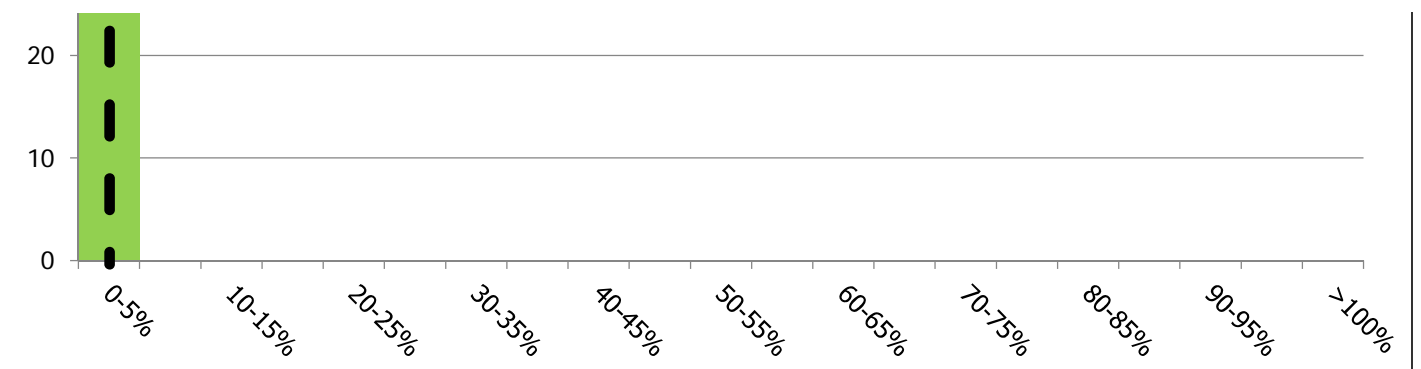
**Allocated Budget Spending Progress relative LDC Community**





Energy Savings Target Achieved

■ Other LDCs ■ Sioux Lookout Hydro Inc. — Province



2015-2020 Allocated Budget Spent

■ Other LDCs ■ Sioux Lookout Hydro Inc. — Province





**Province-Wide Progress**

#	Programs
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**2011-2014+2015 Extension Legacy Framework Programs**

**Residential Program**

1	Coupon Initiative
2	Bi-Annual Retailer Event Initiative
3	Appliance Retirement Initiative
4	HVAC Incentives Initiative
5	Residential New Construction and Major Renovation Initiative
<b>Sub-total - Residential Program</b>	

**Commercial & Institutional Program**

6	Energy Audit Initiative
7	Efficiency: Equipment Replacement Incentive Initiative
8	Direct Install Lighting and Water Heating Initiative
9	New Construction and Major Renovation Initiative
10	Existing Building Commissioning Incentive Initiative
<b>Sub-total - Commercial &amp; Institutional Program</b>	

**Industrial Program**

11	Process and Systems Upgrades Initiatives - Project Incentive Initiative
12	Process and Systems Upgrades Initiatives - Monitoring and Targeting Initiative
13	Process and Systems Upgrades Initiatives - Energy Manager Initiative
<b>Sub-total - Industrial Program</b>	

**Low Income Program**

14	Low Income Initiative
<b>Sub-total - Low-Income Program</b>	

**Pilot Program**

15	Loblaws Pilot
16	Social Benchmarking Pilot
17	Conservation Fund Pilot - SEG
18	Conservation Fund Pilot - EnerNOC
<b>Sub-total - Pilot Program</b>	

**Other**

19	Aboriginal Conservation Program
20	Program Enabled Savings
21	Adjustments to 2015 Legacy Framework Verified Results
<b>Sub-total - Other</b>	

**Sub-total - 2011-2014+2015 Extension Legacy Framework**

**2015-2020 Conservation First Framework Programs**

**Residential Province-Wide Program**

22	Save on Energy Coupon Program
23	Save on Energy Heating and Cooling Program
24	Save on Energy New Construction Program
25	Save on Energy Home Assistance Program
<b>Sub-total - Residential Province-Wide Program</b>	

**Business Province-Wide Program**

26	Save on Energy Audit Funding Program
27	Save on Energy Retrofit Program
28	Save on Energy Small Business Lighting Program
29	Save on Energy High Performance New Construction Program
30	Save on Energy Existing Building Commissioning Program
31	Save on Energy Process & Systems Upgrades Program
32	Save on Energy Monitoring & Targeting Program
33	Save on Energy Energy Manager Program
<b>Sub-total - Business Province-Wide Program</b>	

**Local & Regional Program**

34	Business Refrigeration Local Program
35	First Nation Conservation Local Program
36	Social Benchmarking Local Program
<b>Sub-total - Local &amp; Regional Program</b>	

**Pilot Program**

37	Enersource Hydro Mississauga Inc. - Performance-Based Conservation Pilot Program - Co
38	EnWin Utilities Ltd. - Building Optimization Pilot
39	EnWin Utilities Ltd. - Re-Invest Pilot
40	Horizon Utilities Corporation - ECM Furnace Motor Pilot
41	Horizon Utilities Corporation - Social Benchmarking Pilot
42	Hydro Ottawa Limited - Conservation Voltage Regulation (CVR) Leveraging AMI Data Pilo
43	Hydro Ottawa Limited - Residential Demand Response Wi-Fi Thermostat Pilot
44	Kitchener-Wilmot Hydro Inc. - Pilot - DCKV
45	Niagara-on-the-Lake Hydro Inc. - Direct Install Energy Efficiency Measures for the Agricul
46	Oakville Hydro Electricity Distribution Inc. - Direct Install - Hydronic
47	Oakville Hydro Electricity Distribution Inc. - Direct Install - RTU Controls
48	Toronto Hydro-Electric System Limited - Direct Install - Hydronic (Pilot Savings)
49	Toronto Hydro-Electric System Limited - Direct Install - RTU Controls (Pilot Savings)
50	Toronto Hydro-Electric System Limited - PFP - Large (Pilot Savings)
<b>Sub-total - Pilot Program</b>	

**Other**

51	Adjustments to 2015 CFF Verified Results
52	Adjustments to 2016 CFF Verified Results
53	Adjustments to 2017 CFF Verified Results
54	Adjustments to 2018 CFF Verified Results
55	Adjustments to 2019 CFF Verified Results
<b>Sub-total - Other</b>	

**Sub-total - 2015-2020 Conservation First Framework**

**Total**

Participation	Progress Towards 2020 Net Annual Energy Savings Target	Net Incremental First Year Energy Savings	Net Incremental First Year Peak Demand Savings	Net-to-Gross and Realization Rate Adjustments - Actual	Gross Incremental First Year Energy Savings	Gross Incremental First Year Peak Demand Savings	Savings Group	Participant Incentive Spending	Administrative Expense Spending	Total Spending	Spending Group	Total Resource Cost - Cost Effectiveness Test - Actual	Program Administrator Cost - Cost Effectiveness Test - Actual	Levelized Unit Energy Cost - Cost Effectiveness Test - Actual
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# Final 2015 Annual Verified Results Report

## IESO Value Added Services Costs (as of March 31, 2016)

#	Reporting Level	Program	Unit of Measure	Units (#)							Administrative Expenses (\$)							
				2015	2016	2017	2018	2019	2020	Total	2015	2016	2017	2018	2019	2020	Total	
1	Sioux Lookout Hydro Inc.	Save on Energy Coupon Program	Coupons	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2		Save on Energy Heating and Cooling Program	Applications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
3	Province Wide	Save on Energy Coupon Program	Coupons	785,625	0	0	0	0	0	0	<b>785,625</b>	1,374,844	0	0	0	0	0	<b>1,374,844</b>
4		Save on Energy Heating and Cooling Program	Applications	20,446	0	0	0	0	0	0	<b>20,446</b>	265,798	0	0	0	0	0	<b>265,798</b>
<b>Total</b>				<b>806,071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>806,071</b>	<b>1,640,642</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,640,642</b>

# Final 2015 Annual Verified Results Report Methodology

## General

All results are at the end-user level (not including transmission and distribution losses) and are based on activity completed on or after January 1, 2015 and on or before December 31, 2015 and reported to IESO by March 31, 2016.

## Savings Calculations

#	Project Type	Equations
1	Prescriptive Measures and Projects Programs	<p><b>Gross Reported Savings</b> = Activity * Per Unit Assumption Savings  <b>Gross Verified Savings</b> = Gross Reported Savings * Realization Rate  <b>Net Verified Savings</b> = Gross Verified Savings * Net-to-Gross Ratio                      All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</p>
2	Engineered and Custom Projects / Programs	<p><b>Gross Reported Savings</b> = Reported Savings  <b>Gross Verified Savings</b> = Gross Reported Savings * Realization Rate  <b>Net Verified Savings</b> = Gross Verified Savings * Net-to-Gross Ratio                      All savings are annualized (i.e. the savings are the same regardless of time of year a project was completed or measure installed)</p>
3	Adjustments to Previous Years' Verified Results	All variances from the Final Annual Results Reports from prior years will be adjusted within this report. Any variances with regards to projects counts, data lag, and calculations etc., will be made within this report. Considers the annual effect of energy savings.

## 2011-2014+2015 Extension Legacy Framework Initiatives

#	Initiative	Attributing Savings to LDCs	Project List Date	Savings 'start' Date	Calculating Resource Savings
1	saveONenergy Conservation Instant Coupon Booklet	LDC-coded coupons directly attributed to LDC. Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	March 31, 2016	Savings are considered to begin in the year in which the coupon was redeemed.	<p><b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.</p>
2	saveONenergy Bi-Annual Retailer Event	Results are allocated based on average of 2008 & 2009 residential throughput.	March 31, 2016	Savings are considered to begin in the year in which the event occurs.	
3	saveONenergy Appliance Retirement	Includes both retail and home pickup stream. Retail stream allocated based on average of 2008 & 2009 residential throughput; Home pickup stream directly attributed by postal code or customer selection.	March 31, 2016	Savings are considered to begin in the year the appliance is picked up.	
4	saveONenergy HVAC Incentives	Results directly attributed to LDC based on customer applications and postal code.	March 31, 2016	Savings are considered to begin in the year that the installation occurred.	
5	saveONenergy Residential New Construction	Results are directly attributed to LDC based on LDC identified in application in the iCon system.	March 31, 2016	Savings are considered to begin in the year of the project completion date.	
6	saveONenergy Energy Audit	Projects are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year of the audit date.	<p><b>Peak demand and energy savings</b> are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&amp;V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).</p>
7	saveONenergy Efficiency: Equipment Replacement	<p>Results are directly attributed to LDC based on LDC identified at the facility level in the iCon system.</p> <p>Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"). Please see page for Building type to Sector mapping.</p>	March 31, 2016	Savings are considered to begin in the year of the actual project completion date in the iCon system.	<p><b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported in the iCon system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&amp;V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).</p>
<p><b>Additional Note:</b> project counts were derived by filtering out invalid statuses (e.g. Post-Project Submission - Payment denied by LDC) and only including projects with an "Actual Project Completion Date" in 2014</p>					
9	saveONenergy Direct Installed Lighting	Results are directly attributed to LDC based on the LDC specified on the work order.	March 31, 2016	Savings are considered to begin in the year of the actual project completion date.	<p><b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).</p>
10	saveONenergy New Construction and Major Renovation Incentive	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year in which the incentive project was completed.	<p><b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&amp;V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).</p>
11	saveONenergy Existing Building Commissioning Incentive		March 31, 2016		
12	saveONenergy Process & System Upgrades	Results are directly attributed to LDC based on LDC identified in application.	March 31, 2016	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	<p><b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&amp;V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).</p>
13	saveONenergy Monitoring & Targeting		March 31, 2016		
14	saveONenergy Energy Manager		March 31, 2016		
14	saveONenergy Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year in which the measures were installed.	<p><b>Peak demand and energy savings</b> are determined using the measure level per unit assumption multiplied by the uptake of each measure (gross), taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.</p>
15	Aboriginal Conservation Program		March 31, 2016		

**2015-2020 Conservation First Framework Programs**

#	Program	Attributing Savings to LDCs	Project List Date	Savings 'Start' Date	Calculating Resource Savings
1	Save on Energy Coupon Program	LDC-coded coupons directly attributed to LDC; Otherwise results are allocated based on average of 2008 & 2009 residential throughput.	March 31, 2016	Savings are considered to begin in the year in which the coupon was redeemed.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.
2	Save on Energy Heating and Cooling Program	Results directly attributed to LDC based on customer applications and postal code. LDCs may see additional participation, savings and spending relative to the March 2016 Value Added Services Report due to previously unassigned applications completed in 2015. Adjustments to reflect final 2015 verified participation will appear in your July 2016 Value Added Services Report to be issued on August 15, 2016	March 31, 2016	Savings are considered to begin in the year that the installation occurred.	
3	Save on Energy New Construction Program	Results are directly attributed to LDC based on LDC identified in CDM LDC Report Template.	March 31, 2016	Savings are considered to begin in the year of the project completion date.	
4	Save on Energy Home Assistance Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year in which the measures were installed.	
5	Save on Energy Audit Funding Program	Projects are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year of the audit date.	<b>Peak demand and energy savings</b> are determined by the total savings resulting from an audit as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
6	Save on Energy Retrofit Program	Results are directly attributed to LDC based on LDC identified at the Facility level in the saveOnEnergy CRM; Projects in the Application Status: "Post-Stage Submission" are included (excluding "Payment denied by LDC"); Please see page for Building type to Sector mapping.	March 31, 2016	Savings are considered to begin in the year of the actual project completion date as reported in the CDM LDC Report Template	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported in the ICON system (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net). Both realization rate and net-to-gross ratios can differ for energy and demand savings and depend on the mix of projects within an LDC territory (i.e. lighting or non-lighting project, engineered/custom/prescriptive track).
7	Save on Energy Small Business Lighting Program	Results are directly attributed to LDC based on the LDC specified on the work order.	March 31, 2016	Savings are considered to begin in the year of the actual project completion date.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
8	Save on Energy High Performance New Construction Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year of the actual project completion date.	<b>Peak demand and energy savings</b> are determined by the total savings for a given project as reported in the CDM LDC Report Template. Preliminary unverified net savings are calculated by multiplying reported savings by 2014 Net-to-gross ratios and realization rates.
9	Save on Energy Existing Building Commissioning Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016		
10	Save on Energy Process and Systems Upgrades Program	Results are directly attributed to LDC based on LDC identified in application.	March 31, 2016	Savings are considered to begin in the year in which the project was in-service.	<b>Peak demand and energy savings</b> are determined by the total savings from a given project as reported (reported). A realization rate is applied to the reported savings to ensure that these savings align with EM&V protocols and reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings takes into account net-to-gross factors such as free-ridership and spillover (net).
11	Save on Energy Monitoring and Targeting Program	Results are directly attributed to LDC based on LDC identified in the application; Initiative was not evaluated, no completed projects in 2011, 2012 or 2013.	March 31, 2016	Savings are considered to begin in the year in which the incentive project was completed.	
12	Save on Energy Energy Manager Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year in which the project was completed by the energy manager. If no date is specified the savings will begin the year of the Quarterly Report submitted by the energy manager.	
13	Business Refrigeration Incentive Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year in which the measures were installed.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumptions multiplied by the uptake of each measure accounting for the realization rate for both peak demand and energy to reflect the savings that were actually realized (i.e. how many light bulbs were actually installed vs. what was reported) (gross). Net savings take into account net-to-gross factors such as free-ridership and spillover for both peak demand and energy savings at the program level (net).
14	Social Benchmarking Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year in which the report was sent.	<b>Peak demand and energy savings</b> are determined using the verified measure level (home) per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level (home).
15	First Nations Conservation Program	Results are directly attributed to LDC based on LDC identified in the application.	March 31, 2016	Savings are considered to begin in the year in which the measures were installed.	<b>Peak demand and energy savings</b> are determined using the verified measure level per unit assumption multiplied by the uptake in the market (gross) taking into account net-to-gross factors such as free-ridership and spillover (net) at the measure level.

**IESO Value Added Services Costs**

- 1) IESO Value Added Services Costs are based on activity reported as of March 31, 2016.
- 2) Save on Energy Heating & Cooling Program activity may be greater than the March 2016 IESO Value Added Services Report due to previously unassigned applications being assigned to LDCs through the Evaluation, Measurement & Verification Process based on updated applicant postal code mappings. These additional applications and costs will be reflected in the July 2016 IESO Value Added Services Report.
- 3) Future years may include adjustments to prior years based on delays of Value-Added Service report submissions to IESO from IESO Value-Added Service providers.
- 4) IESO Value Added Services costs are calculated based on the prevailing IESO Value Added Services Rates as per the applicable IESO Central Services Strategy and Rate Guideline.

# Final 2015 Annual Verified Results Report

## Consumer Program Allocation Methodology

### # Local Distribution Company

### Allocation

#	Local Distribution Company	Allocation
1	Algoma Power Inc.	0.2207%
2	Atikokan Hydro Inc.	0.0265%
3	Attawapiskat Power Corporation	0.0255%
4	Bluewater Power Distribution Corporation	0.6460%
5	Brant County Power Inc.	0.1979%
6	Brantford Power Inc.	0.7255%
7	Burlington Hydro Inc.	1.3757%
8	Cambridge and North Dumfries Hydro Inc.	0.9578%
9	Canadian Niagara Power Inc.	0.5110%
10	Centre Wellington Hydro Ltd.	0.1129%
11	Chapleau Public Utilities Corporation	0.0379%
12	COLLUS PowerStream Corp.	0.2858%
13	Cooperative Hydro Embrun Inc.	0.0494%
14	E.L.K. Energy Inc.	0.2270%
15	Enersource Hydro Mississauga Inc.	3.9265%
16	Entegrus Powerlines Inc.	0.7226%
17	EnWin Utilities Ltd.	1.5542%
18	Erie Thames Powerlines Corporation	0.3535%
19	Espanola Regional Hydro Distribution Corporation	0.0821%
20	Essex Powerlines Corporation	0.6539%
21	Festival Hydro Inc.	0.3498%
22	Fort Albany Power Corporation	0.0212%

23	Fort Frances Power Corporation	0.0995%
24	Greater Sudbury Hydro Inc.	1.0276%
25	Grimsby Power Incorporated	0.2279%
26	Guelph Hydro Electric Systems Inc.	0.8983%
27	Haldimand County Hydro Inc.	0.4244%
28	Halton Hills Hydro Inc.	0.5475%
29	Hearst Power Distribution Company Limited	0.0667%
30	Horizon Utilities Corporation	4.0429%
31	Hydro 2000 Inc.	0.0390%
32	Hydro Hawkesbury Inc.	0.1394%
33	Hydro One Brampton Networks Inc.	2.8180%
34	Hydro One Networks Inc.	29.9788%
35	Hydro Ottawa Limited	5.5954%
36	InnPower Corporation	0.3951%
37	Kashechewan Power Corporation	0.0286%
38	Kenora Hydro Electric Corporation Ltd.	0.0989%
39	Kingston Hydro Corporation	0.5014%
40	Kitchener-Wilmot Hydro Inc.	1.6310%
41	Lakefront Utilities Inc.	0.1907%
42	Lakeland Power Distribution Ltd.	0.2906%
43	London Hydro Inc.	2.7308%
44	Midland Power Utility Corporation	0.1196%
45	Milton Hydro Distribution Inc.	0.5695%
46	Newmarket-Tay Power Distribution Ltd.	0.6607%
47	Niagara Peninsula Energy Inc.	0.9945%
48	Niagara-on-the-Lake Hydro Inc.	0.1586%
49	Norfolk Power Distribution Inc.	0.3495%
50	North Bay Hydro Distribution Limited	0.5333%

51	Northern Ontario Wires Inc.	0.1061%
52	Oakville Hydro Electricity Distribution Inc.	1.4632%
53	Orangeville Hydro Limited	0.2120%
54	Orillia Power Distribution Corporation	0.2722%
55	Oshawa PUC Networks Inc.	1.2283%
56	Ottawa River Power Corporation	0.1974%
57	Peterborough Distribution Incorporated	0.7132%
58	PowerStream Inc.	6.6383%
59	PUC Distribution Inc.	0.8687%
60	Renfrew Hydro Inc.	0.0775%
61	Rideau St. Lawrence Distribution Inc.	0.1120%
62	Sioux Lookout Hydro Inc.	0.0841%
63	St. Thomas Energy Inc.	0.2939%
64	Thunder Bay Hydro Electricity Distribution Inc.	0.8738%
65	Tillsonburg Hydro Inc.	0.1280%
66	Toronto Hydro-Electric System Limited	12.7979%
67	Veridian Connections Inc.	2.3525%
68	Wasaga Distribution Inc.	0.1799%
69	Waterloo North Hydro Inc.	1.0019%
70	Welland Hydro-Electric System Corp.	0.3879%
71	Wellington North Power Inc.	0.0632%
72	West Coast Huron Energy Inc.	0.0653%
73	Westario Power Inc.	0.5411%
74	Whitby Hydro Electric Corporation	0.8651%
75	Woodstock Hydro Services Inc.	0.2548%
<b>Total</b>		<b>100.0000%</b>

Results can be allocated based on average of 2008 & 2009 residential throughput for each LDC (below) when additional information is not available. Source: OEB Yearbook Data 2008 & 2009



# Final 2015 Annual Verified Results Report

## Glossary

#	Term	Definition
1	2011-2014+2015 Extension Legacy Framework Programs	Programs in market from 2011-2015 resulting from the April 23, 2010 GEA CDM Ministerial Directive and funded separately from 2015-2020 Conservation First Framework Programs but whose savings in 2015 are attributed towards the 2015-2020 Conservation First Framework target.
2	2015-2020 Conservation First Framework Programs	Programs in market from 2015-2020 resulting from the March 31, 2014 CFF Ministerial Directive and funded separately from 2011-2014+2015 Extension Legacy Framework Programs.
3	Allocated Target	Each LDC's assigned portion of the Province's 7 TWh Net 2020 Annual Energy Savings Target of the 2015-2020 Conservation First Framework.
4	Allocated Budget	Each LDC's assigned portion of the Province's \$ 1.835 billion CDM Plan Budget of the 2015-2020 Conservation First Framework.
5	Province-Wide Program	Programs available to all LDCs to deliver and that are consistent across the province.
6	Regional Program	Programs designed by LDCs to serve their region and approved by the IESO.
7	Local Program	Programs designed by LDCs to serve their communities and approved by the IESO.
8	Pilot Program	A program pilot that may achieve energy or demand savings and is funded extraneous to an LDC's CDM Plan Budget.
9	Initiative	A Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup) from the 2011-2014+2015 Extension Legacy Framework.
10	Program	A Conservation & Demand Management offering focusing on a particular opportunity or customer end-use (i.e. Retrofit, Fridge & Freezer Pickup) from the 2015-2020 Conservation First Framework.
11	Activity	The number of projects.

12	Unit	For a specific initiative the relevant type of activity acquired in the market place (i.e. appliances picked up, projects completed, coupons redeemed).
13	Forecast	LDC's forecast of activity, savings, expenditures and cost effectiveness as indicated in each LDC's submitted CDM Plan Cost Effectiveness Tools.
14	Actual	The IESO determined final results of activity, savings, expenditures and cost effectiveness.
15	Progress	A comparison of Actuals versus Forecasts.
16	Full Cost Recovery Progress	For a given year, the percentage calculated by dividing: a) the sum of verified electricity savings for all years of the term up to and including the applicable year for all Programs that receive full cost recovery funding, by b) the Cumulative FCR Milestone, multiplied by 100%, as specified in Schedule A of the Energy Conservation Agreement.
17	Reported Savings	Savings determined by the LDC: 1) for prescriptive projects/programs: calculating quantity x prescriptive savings assumptions; and 2) for engineered or custom program projects/programs: calculated using prescribed methodologies.
18	Verified Savings	Savings determined by the IESO's evaluation, measurement and verification that may adjust reported savings by the realization rate.
19	Gross Savings	Savings determined as either: 1) program activity multiplied by per unit savings assumptions for prescriptive programs; or 2) reported savings multiplied by the realization rate for engineered or custom program streams.
20	Net Savings	The peak demand or energy savings attributable to conservation and demand management activities net of free-riders, etc.
21	Realization Rate	A comparison of observed or measured (evaluated) information to original reported savings which is used to adjust the gross savings estimates.
22	Net-to-Gross Adjustment	The ratio of net savings to gross savings, which takes into account factors such as free-ridership and spillover.
23	Free-ridership	The percentage of participants who would have implemented the program measure or practice in the absence of the program.

24	Spillover	Reductions in energy consumption and/or demand caused by the presence of the energy efficiency program, beyond the program-related gross savings of the participants. There can be participant and/or non-participant spillover.
25	Incremental Savings	The new resource savings attributable to activity procured in a particular reporting period based on when the savings are considered to 'start'.
26	First Year Savings	The peak demand or energy savings that occur in the year it was achieved (includes resource savings from only new program activity).
27	Annual Savings	The peak demand or energy savings that occur in a given year (includes resource savings from new program activity and resource savings persisting from previous years).
28	Demand Savings	Demand savings attributable to conservation and demand management activities.
29	Energy Savings	Energy savings attributable to conservation and demand management activities.
30	Administrative Expenses	Costs incurred in the delivery of a program related to labour, marketing, third-party expenses, value added services or other central services.
31	Participant Incentives	Costs incurred in the delivery of a program related to incenting participants to perform peak demand or energy savings.
32	Total Expenditure	The sum of Administrative Expenses and Participant Incentives
33	Total Resource Cost Cost Effectiveness Test	A cost effectiveness test that measures the net cost of CDM based on the total costs of the program including both participants' and utility's costs.
34	Program Administrator Cost Cost Effectiveness Test	A cost effectiveness test that measures the net cost of CDM based on costs incurred by the program administrator, including incentive costs and excluding net costs incurred by the participant.
35	Levelized Unit Energy Cost Cost Effectiveness Test	A cost effectiveness test that normalizes the costs incurred by the program administrator per unit of energy or demand reduced.

**Appendix 4H: 2011-2014 Final IESO CDM Results with Persistence**

**QUESTION #16 2011 Tier 1 saveONenergy Program Results (By LDC)**

**Date:** 10-Sep-12

**Notes:** Gross Peak Demand Savings for Demand Response 3 represents the megawatts under contract, the net peak demand savings represents the ex-ante savings

Table is at the End User Level

Portfolio	Program	Initiative	LDC	Sector	Conservation Resource Type	(Implementation) Year	Status	Notes:	Activity Unit Name	Activity/Participation (I.e. # of appliances)	Gross Summer Peak Demand Savings (MW)	Gross Energy Savings (MWh)
Tier 1	Consumer	Appliance Exchange	Sioux Lookout Hydro Inc.	Residential	EE	2011 Final; Released August 31, 2012			Appliances	1	0.00	0
Tier 1	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	2011 Final; Released August 31, 2012			Appliances	32	0.00	26
Tier 1	Consumer	Bi-Annual Retailer Ever	Sioux Lookout Hydro Inc.	Residential	EE	2011 Final; Released August 31, 2012			Products	732	0.00	23
Tier 1	Consumer	Conservation Instant C	Sioux Lookout Hydro Inc.	Residential	EE	2011 Final; Released August 31, 2012			Products	420	0.00	14
Tier 1	Consumer	HVAC Incentives	Sioux Lookout Hydro Inc.	Residential	EE	2011 Final; Released August 31, 2012			Installations	2	0.00	2
Tier 1	Consumer	Retailer Co-op	Sioux Lookout Hydro Inc.	Residential	EE	2011 Final; Released August 31, 2012		Custom retailer	Products	0	0.00	0
Tier 1	Business	Direct Install Lighting	Sioux Lookout Hydro Inc.	Commercial & Insti	EE	2011 Final; Released August 31, 2012			Projects	3	0.00	6
Tier 1	Pre-2011 Progr	High Performance New	Sioux Lookout Hydro Inc.	Commercial & Insti	EE	2011 Final; Released August 31, 2012		Not evaluated; Projects		0	0.00	0



APPENDIX 2

2012 Tier 1 saveONenergy Program Results (By LDC)

Date: 07-Nov-13

Table is at the End User Level

Portfolio	Program	Initiative	LDC	Sector	Conservation Resource Type	(Implementation) Year	Status
Tier 1	Business	Direct Install Lighting	Sioux Lookout Hydro Inc.	C&I	EE	2012	Final; Released August 31, 2013
Tier 1	Consumer	Appliance Exchange	Sioux Lookout Hydro Inc.	Residential	EE	2012	Final; Released August 31, 2013
Tier 1	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	2012	Final; Released August 31, 2013
Tier 1	Consumer	Bi-Annual Retailer Event	Sioux Lookout Hydro Inc.	Residential	EE	2012	Final; Released August 31, 2013
Tier 1	Consumer	Conservation Instant Coupon Booklet	Sioux Lookout Hydro Inc.	Residential	EE	2012	Final; Released August 31, 2013
Tier 1	Consumer	HVAC Incentives	Sioux Lookout Hydro Inc.	Residential	EE	2012	Final; Released August 31, 2013
Tier 1	Pre-2011 Programs Completed in 2011	High Performance New Construction	Sioux Lookout Hydro Inc.	C&I	EE	2012	Final; Released August 31, 2013
Tier 1 - 2011 Adjustment	Pre-2011 Programs Completed in 2011	High Performance New Construction	Sioux Lookout Hydro Inc.	C&I	EE	2011	Final; Released August 31, 2013
Tier 1 - 2011 Adjustment	Consumer	HVAC Incentives	Sioux Lookout Hydro Inc.	Residential	EE	2011	Final; Released August 31, 2013
Tier 1 - 2011 Adjustment	Consumer	Bi-Annual Retailer Event	Sioux Lookout Hydro Inc.	Residential	EE	2011	Final; Released August 31, 2013
Tier 1 - 2011 Adjustment	Consumer	Conservation Instant Coupon Booklet	Sioux Lookout Hydro Inc.	Residential	EE	2011	Final; Released August 31, 2013





														Net Annual Energy Savings (MWh)								
2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2011	2012	2013	2014	2015	2016	2017	2018	2019
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	51.442	51.44	51.44	43.647	43.647	11.954	11.954	11.954
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.082	0.082	0.082	0.080	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.613	10.613	10.613	10.613	9.708	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.510	22.510	22.510	22.510	20.235	16.454	11.223	11.200
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.175	1.175	1.175	1.175	1.158	1.158	0.545	0.542
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.296
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.092	0.092	0.092	0.092	0.092	0.092	0.092	0.092
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-0.146	-0.146	-0.146	-0.146	-0.146	-0.146	-0.146	-0.146	-0.146
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.835	1.835	1.835	1.835	1.835	1.668	0.900	0.900	0.900
0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.232	0.232	0.232	0.232	0.232	0.212	0.130	0.130	0.130



## APPENDIX 2 - LDC Summary

All Savings at the End User Level

Portfolio	Program	Initiative	LDC	Sector	Conservation Resource Type	Tx (Transmission) or Dx (Distribution) connected	(Implementation) Year	Notes	Activity Unit Name	Activity/ Participation (i.e. # of appliances)
LDC	Business	Small Business Lighting	Sioux Lookout Hydro Inc.	Commercial &	EE	Dx	2013 N/A		Projects	27
LDC	Consumer	Annual Coupons	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013 Custom loadshapes for some clotheslines, outdoor timers and power bars based on survey results.		measures	292
LDC	Consumer	Appliance Exchange	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013 Dehumidifier Load Shape		Appliances	1
LDC	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013 N/A		Appliances	21
LDC	Consumer	Bi-Annual Retailer Events	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013 Custom loadshapes for some clotheslines, outdoor timers and power bars based on survey results.		measures	794
LDC	Consumer	Home Assistance Program	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013 N/A		Projects Comp	2
LDC	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013 N/A		Appliances	0
LDC	Consumer	HVAC	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2012 Blended Load Shape used for furnaces		Equipment	0







## APPENDIX 2 - LDC Summary

All Savings at the End User Level

Portfolio	Program	Initiative	LDC	Sector	Conservation Resource Type	Tx (Transmission) or Dx (Distribution) connected	(Implementation) Year
LDC	Business	Direct Install Lighting	Sioux Lookout Hydro Inc.	Commercial	EE	Dx	2014
LDC	Business	Retrofit	Sioux Lookout Hydro Inc.	Commercial	EE	Dx	2014
LDC	Consumer	Appliance Exchange	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Consumer	Appliance Retirement	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Consumer	Bi-Annual Retailer Event	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Consumer	Conservation Instant Coupon Booklet	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013
LDC	Consumer	Conservation Instant Coupon Booklet	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Home Assistance	Home Assistance Program	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2013
LDC	Home Assistance	Home Assistance Program	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Consumer	HVAC Incentives	Sioux Lookout Hydro Inc.	Residential	EE	Dx	2014
LDC	Other	Time-of-Use Savings	Sioux Lookout Hydro Inc.	Other	DR	Dx	2014

Notes	Activity Unit Name	Activity/Participation (i.e. # of appliances)	Gross Summer Peak Demand Savings (MW)	Gross Energy Savings (MWh)	Net Annual Summer Peak Demand Savings (MW)							
					2011	2012	2013	2014	2015	2016	2017	2018
n/a	Projects	19	15.35525	52904.29	0	0	0	0.015355	0.015165	0.014211	0.010666	0.010666
n/a	Projects	3	10.99672	28611.98	0	0	0	0.010997	0.010997	0.010997	0.010997	0.010997
Dehumidifier Load Shape	Appliances	1	0.207194	369.4399	0	0	0	0.000207	0.000207	0.000207	0.000207	0
n/a	Appliances	1	0.116754	104.408	0	0	0	0.000117	0.000117	0.000117	0	0
n/a	Appliances	0			0	0	0	0	0	0	0	0
n/a	Appliances	14.00336	0.975157	7060.693	0	0	0	0.000975	0.000975	0.000975	0.000975	0
n/a	Appliances	26.00841	1.560284	10616.77	0	0	0	0.00156	0.00156	0.00156	0.00156	0.00156
Custom loadshapes for clotheslines, outdoor timers and power bars based on survey results.	measures	4055.226	6.760522	103300.4	0	0	0	0.006761	0.005901	0.005453	0.005453	0.005453
Custom loadshapes for clotheslines, outdoor timers and power bars based on survey results.	measures	0.882628	0	20	0	0	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001
Custom loadshapes for clotheslines, outdoor timers and power bars based on survey results.	measures	868.0301	1.770588	23666.13	0	0	0	0.001771	0.001668	0.001619	0.001619	0.001619
n/a	Homes	27	3.458513	81413.33	0	0	0.003574	0.003468	0.003459	0.003285	0.003224	0.003176
n/a	Homes	183	7.438976	183797.5	0	0	0	0.007447	0.007439	0.007008	0.006824	0.006637
n/a	Equipment	3	0.40295	675.8516	0	0	0	0.000403	0.000403	0.000403	0.000403	0.000403
n/a	n/a		21.01114	0	0	0	0	0.021011	0	0	0	0







## **Appendix 4I: 2015 IESO CDM Results with Persistence**

# Final 2015 Annual Verified Results - Annual Persistence Report



#	Worksheet Name	Worksheet Description
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1	How to Use This Report	Describes the contents and structure of this report
2	Energy Savings	Provides a description of the 2015 - 2040 annual persistence of Net Verified Energy Savings at the end-user level resulting from the 2015 CDM Program Year
3	Demand Savings	Provides a description of the 2015 - 2040 annual persistence of Net Verified Demand Savings at the end-user level resulting from the 2015 CDM Program Year

# Final 2015 Annual Verified Results - Annual

The IESO is pleased to provide the Final 2015 Annual Verified Results - Annual Persistence Report.

This report is based on the same data used to provide the Final 2015 Annual Verified Results Report to LDCs June 30, 2016. The data included in this report is provided on a more granular level, providing annual savings amounts for the 2015 - 2040 period resulting from the 2015 CDM Program Year to aid LDCs in analysis such as supporting Lost Revenue Adjustment Mechanism (LRAM) calculations.

The data provided is the same final 2015 net verified, end-user level savings amounts for both energy saving and demand savings for the specific LDC service areas only, no province-wide data is included in this report. The program list has been condensed to show only those programs that had achieved savings in the province, not necessarily in every LDC's service area. Initiatives, programs, pilots that were in market in 2015 and adjusted to specific years that may be populated in future years are not displayed for ease of use.

The list of initiatives, programs and pilots is shown on the left and each year's remaining savings is shown across the columns. Savings may deteriorate by year as a result of the mix of measures actually installed may have some measures with shorter expected useful lives (EULs) than others and some measures may have a baseline



