



MILTON HYDRO DISTRIBUTION INC.

200 Chisholm Drive, Milton, Ontario, L9T 3G9
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August 9, 2022

RESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4

Attention: Nancy Marconi, Registrar

Dear Ms. Marconi:

**Re: Milton Hydro Distribution Inc. (Milton Hydro)
EB-2022-0049: Cost of Service Rate Application for 2023 Electricity Distribution
Rates (Application) – Updated Response to Interrogatory 1-SEC-014**

Milton Hydro filed its responses to interrogatories on July 25, 2022. Following the submission of interrogatory responses, it was identified that, due to an oversight, Milton Hydro filed incomplete copies of the 2020 and 2021 Business Plan Documents, which were included as Attachments 1-1 to 1-3 to interrogatory response 1-SEC-014.

To ensure a complete and accurate record in the proceeding, Milton Hydro files an updated response to 1-SEC-014 that contains the updated 2020 and 2021 Business Plan Documents.

Milton Hydro will file a letter with the OEB regarding Milton Hydro's updated confidential treatment of certain information in the Updated 2020 and 2021 Business Plan Documents.

Milton Hydro provides the enclosed updates to the following redacted evidence on the public record to file the complete copies of the 2020 and 2021 Business Plan Documents.:

The updated business plan documents are comprised of the following:

- Attachment 1-1 contains a package of material provided to Milton Hydro's Board of Directors supporting the approval of, among other things, a business plan and budget for 2020 ("2020 Business Plan");
- Attachment 1-2 contains certain excerpts from the 2020 Business Plan with the updated information; and

- Attachment 1-3 contains a package of material provided to Milton Hydro's Board of Directors supporting the approval of, among other things, a business plan and budget for 2021.

Yours truly,

Dan Gopic, CPA, CMA
Director, Regulatory Affairs
Milton Hydro Distribution Inc.

cc: Tim Pavlov, Torys LLP

1-SEC-014

[Ex. 1, p. 35]

Please provide, for each of 2020 and 2021:

- a. The final board-approved business plan and budget, including the “five proposed forward-looking years”.
- b. The full package of materials provided to the board of directors or any committee of the board of directors supporting the budget and/or providing background information.
- c. The board resolution approving the budget.
- d. The Finance team’s “goals and objectives for the organization” established in support of that budget.

Response:

- a. Please see attachments filed in response to part (b) below.
- b. The package of materials provided to Milton Hydro’s Board of Directors in respect of each of 2020 and 2021 is as follows:
 - Attachment 1-1 contains the package of material supporting the approval of, among other things, a business plan and budget for 2020 (“2020 Business Plan”);
 - Attachment 1-2 contains certain excerpts from the 2020 Business Plan with the updated information; and
 - Attachment 1-3 contains the package of material supporting the approval of, among other things, a business plan and budget for 2021.
- c. There were no formal written resolutions. The 2020 and 2021 budgets were approved during the Board of Directors meetings, held on December 9, 2019 and December 14, 2020, respectively, and these approvals are reflected in the respective meeting minutes.

- d. The goals and objectives are presented as part of the full package of materials are presented in the final board-approved business plan presented in part a. of this question above.

ATTACHMENT 1-1

MILTON HYDRO BUDGET 2020 AND LRF FOR 2021-2023



Milton Hydro

**Budget 2020 and LRF for
2021-2023**

Milton Hydro Distribution Inc.

Board Meeting
November 19, 2019

Agenda for Board Meeting – November 2019

- Key Assumptions
- MHDI Status
- Risk Factors Impacting Financial Forecast

Key Budget Assumptions

➤ Revenue Growth Assumptions - Residential:

- Utilized the Town of Milton's growth projections for residential development adjusted for confirmations from major builders of expected growth.

➤ 2019P	– 1,000 residential units (budgeted 1,000)
➤ 2020	– 1,000 residential units
➤ 2021	– 1,000 residential units
➤ 2022	– 1,000 residential units
➤ 2023	– 1,000 residential units

- ≡ Average monthly consumption for residential customers is forecast to be 731 kWh/month for 2019, similar to the 2019B of 737 kWh. Subsequent to April 30, 2019, there is no variable distribution rate for residential customers. Going forward the distribution revenue is based on 100% fixed distribution rate. (May 1, 2019 - \$27.87 per month)

Revenue Assumptions – con't

Revenue Assumptions – GS<50 kWh:

- 2020B Growth is based on 20 net new customers per year with average monthly consumption of 2,671 kWh (2019P, 18 customers, 2,671 kWh). Distribution revenue for GS<50kW class is based on consumption (kWh) and a fixed service charge.

Revenue Assumptions – GS>50 kW to 999kW:

- 2020B Growth is based on 12 new customers per year with average monthly demand of 145 kW (2019P - 20 new customers with average monthly demand of 145 kW). Distribution revenue for GS>50kW class is based on demand (kW) and a fixed service charge.

Revenue Assumptions – con't

Revenue Assumptions – GS>1000 kW:

- For 2019P, 14 existing customers with average monthly projected demand of 1,758 kW per customer. For 2020B, average monthly demand is forecast at 1,758 kW with no new customers. Distribution revenue for GS>1000 kW class is based on demand (kW) and a fixed service charge.

Revenue Assumptions – Large Use (>5000kW):

- No growth is assumed in the Large Use rate classification. Demand assumed based on historical trends of each of the three existing Large Use customers. Distribution revenue for Large Use class is based on demand (kW) and a fixed service charge.

Key Budget Assumptions – con't

Rate Assumptions:

- Distribution rates for 2019P and 2020 have been adjusted based on Milton Hydro's 2016 Cost of Service decision effective September 1, 2016 and subsequent approved Incremental Rate Adjustments (IRM).

- Distribution rates
 - May 1, 2019 – based on approved IRM of 1.20% (1.5% inflation - .30% stretch);
 - May 1, 2020 based on approved IRM of 1.85% (2.0% inflation - .15% stretch);
 - May 1, 2021 to December 2023 – 1.50% based on an estimated inflation factor of 1.80% less stretch factor of 0.30%; increase effective May 1, each May 1 thereafter during forecast period

Distribution Revenue by Class

	# of Customers / Billing			Billing Determinants (kWh/kW)			Net Revenue		
	2019Proj	2020	Diff	2019Proj	2020	Diff	2019Proj	2020	Diff
Residential	37,480	38,480	1,000	324,832,588	333,640,365	2.7%	\$12,403,390	\$12,968,165	\$564,775
GS< 50kW	2,684	2,704	20	87,263,111	87,740,437	0.5%	2,147,192	2,185,838	\$38,646
GS>50kW	349	361	12	595,762	620,175	4.1%	2,142,133	2,270,059	\$127,926
GS>1000kW	14	14	0	293,664	293,664	0.0%	590,466	602,986	\$12,520
Large Use	3	3	0	280,619	280,619	0.0%	516,477	524,913	\$8,436
Streetlight	0		0	18,894	18,894	0.0%	302,391	308,895	\$6,504
Sent Light	0		0	384	384	0.0%	30,050	30,559	\$509
MicroFit	0		0	n/a	n/a	n/a	40,843	40,868	\$25
	40,530	41,562	1,032				\$18,172,943	\$18,932,283	\$759,340

Key Budget Assumptions – con't

Other Income:

- Milton Energy & Generation Solutions Inc. (MEGS)

- MEGS has contracted with MHDl to provide the billing and customer service/collection services. (NOTE: 1.9% increase effective January 1, 2018 and 1.9% on June 1, 2018 and 1.9% every June 1st thereafter during the for each year of the 5 year contract period)
- Effective June 1, 2017 MHDl is billing MEGS based on a fully allocated cost plus return of \$3.42 per bill. MHDl has assumed the following rates and percent increases effective June 1st in each year of the forecast.

	June 1, 2018 to May 31, 2019	June 1, 2019 to May 31, 2020	June 1, 2020 to May 31, 2021	June 1, 2021 to May 31, 2022
MHDl Bill Fee charged to MEGS	\$ 3.49	\$ 3.56	\$ 3.63	\$ 3.70
Percent Increase	2.05%	2.01%	1.97%	1.93%

Key Budget Assumptions – con't

➤ OM&A Assumptions:

- Headcount – 52 (FTE) staff by end of 2019P; headcount increases have been budgeted as follows during the forecast period:
 - 2019 P– SCADA Tech (new)
 - 2020 – 2 additions: Director of Operations (vacant) ;
Purchasing/Facilities Manager (new)
 - 2021 - one (1) new addition
 - 2022 – one (1) new addition
 - 2023 - one (1) new addition

- For 2020, compensation reflects an increase of 2.2% for bargaining unit staff based on the current Collective Agreement and an estimate for total compensation relating to management staff (2.2% inflation plus progression, if applicable). The 4 year collective agreement signed in 2017 expires on December 31, 2020.

- Controllable expenses are assumed to increase by 2.5% for each of 2021 through to 2023.

Key Budget Assumptions – con't

2019 Projected and 2020 Budget

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Net Distribution Revenue	\$ 16,615,170	\$ 17,651,774	\$ 18,118,944	\$ 18,172,943	\$ 18,932,283
Other Income (incl Finance Income)	\$ 2,093,477	\$ 2,607,092	\$ 2,220,667	\$ 2,322,788	\$ 2,287,011
Controllable Expenses	\$ 8,941,247	\$ 9,488,241	\$ 10,398,073	\$ 9,757,659	\$ 10,613,000
Depreciation	\$ 3,482,059	\$ 3,761,991	\$ 4,010,333	\$ 4,093,445	\$ 4,498,703
Interest	\$ 2,570,940	\$ 2,606,634	\$ 2,700,333	\$ 2,820,671	\$ 2,787,353
Net Income Before Tax & Reg Movement	\$ 1,458,806	\$ 3,318,028	\$ 2,874,079	\$ 3,173,956	\$ 2,670,238
Total PILs	\$ 888,791	\$ 1,270,930	\$ 761,600	\$ 880,056	\$ 707,600
Regulatory Movement/Taxes	\$ (2,495,167)	\$ (2,255,898)	\$ -	\$ -	\$ -
Other Comprehensive loss	\$ 101,797				
Net Income After Tax & Regulatory Movement	2,963,385	4,302,996	2,112,479	2,293,900	1,962,638
% increase (decrease)	0.4%	45.2%	-32.4%	8.6%	-14.4%

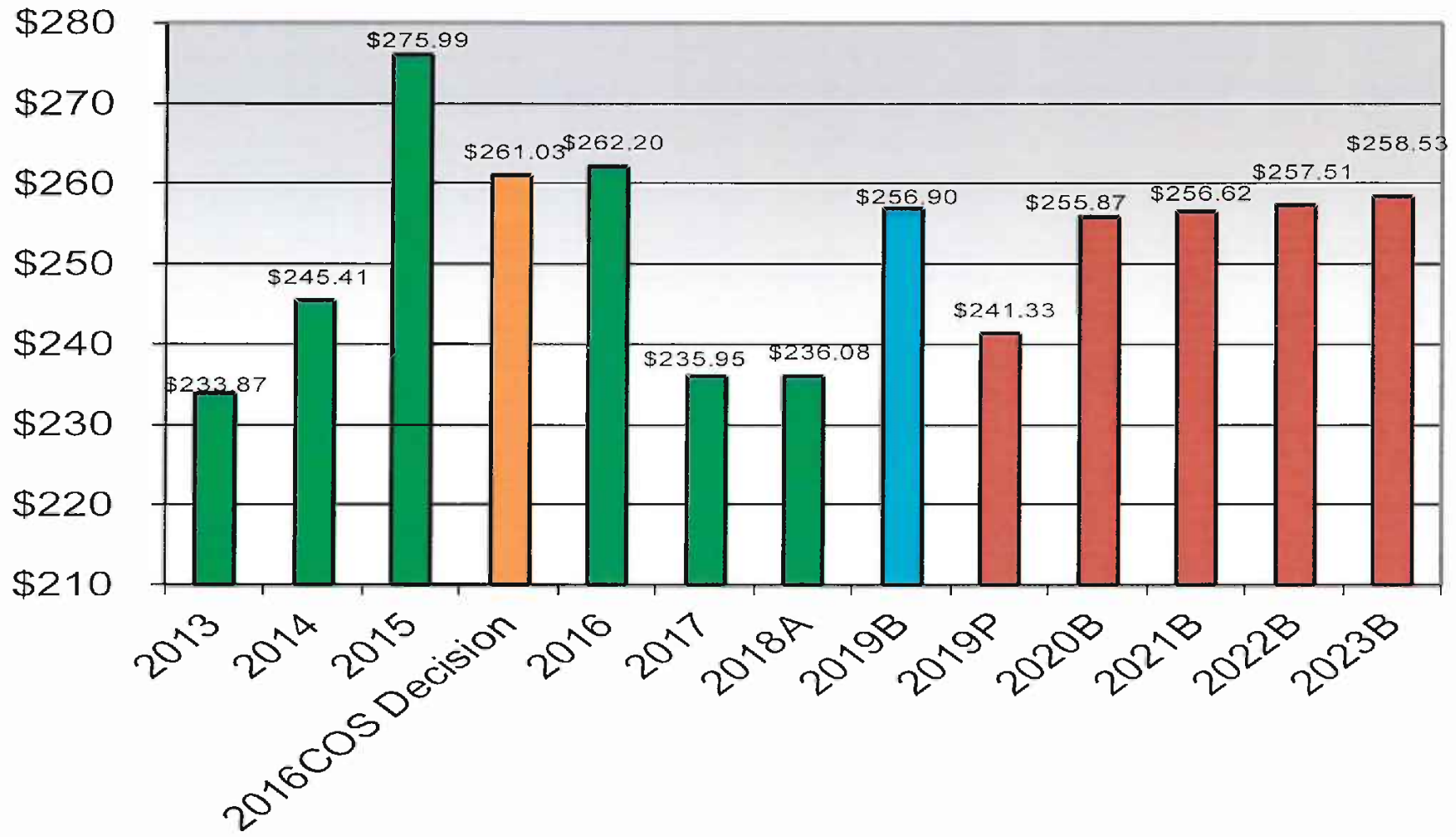
2019 Projected net earnings after tax of \$2,293,900 is estimated to be \$181,421 higher than 2019 Budget.

- higher Other Income - \$102,121
- lower Controllable Expenses - \$640,414
- higher Distribution Revenue - \$53,999
- Offset by:
 - higher Depreciation - \$83,112
 - higher Interest Expenses - \$120,338 (includes interest on Ministry of Finance Tax Assessment 2015/2016 - \$130K)
 - higher PILS- \$118,456 (includes Ministry of Finance Tax interest Assessment for 2015/2016 - \$147K)
 - higher Removals of PPE - \$300,000

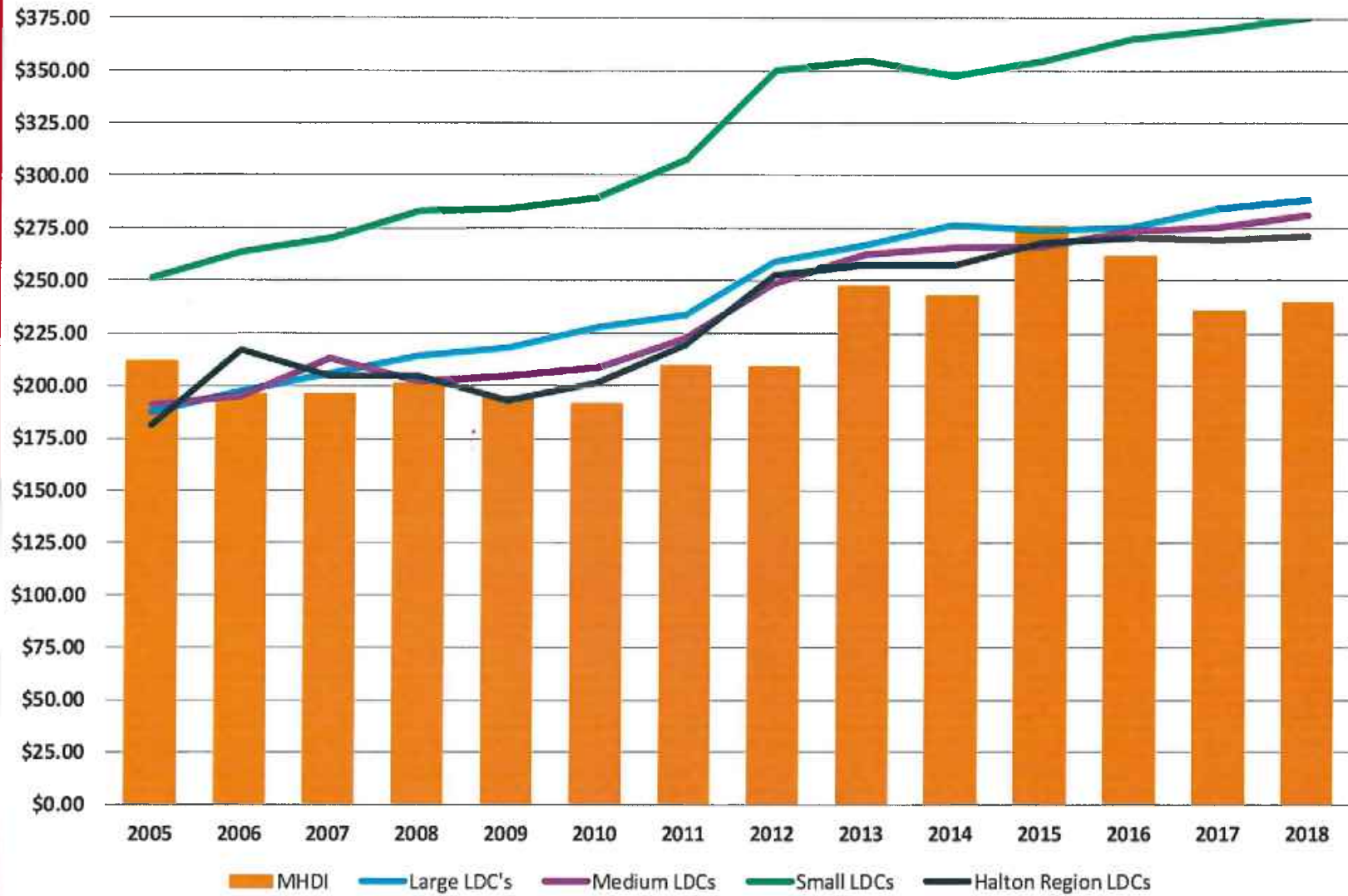
2020 Budgeted net earnings after tax of \$1,962,638 is forecast to be \$331,262 lower than 2019 Projected.

- higher Controllable Expenses - \$855,341
- lower Other Income - \$35,777
- higher Depreciation Expense - \$405,258
- Offset by:
 - higher Distribution Revenue - \$759,340
 - lower Interest Expense - \$33,318
 - lower PILS - \$172,456

OM&A per Customer



OM&A Per Customer



Key Budget Assumptions – con't

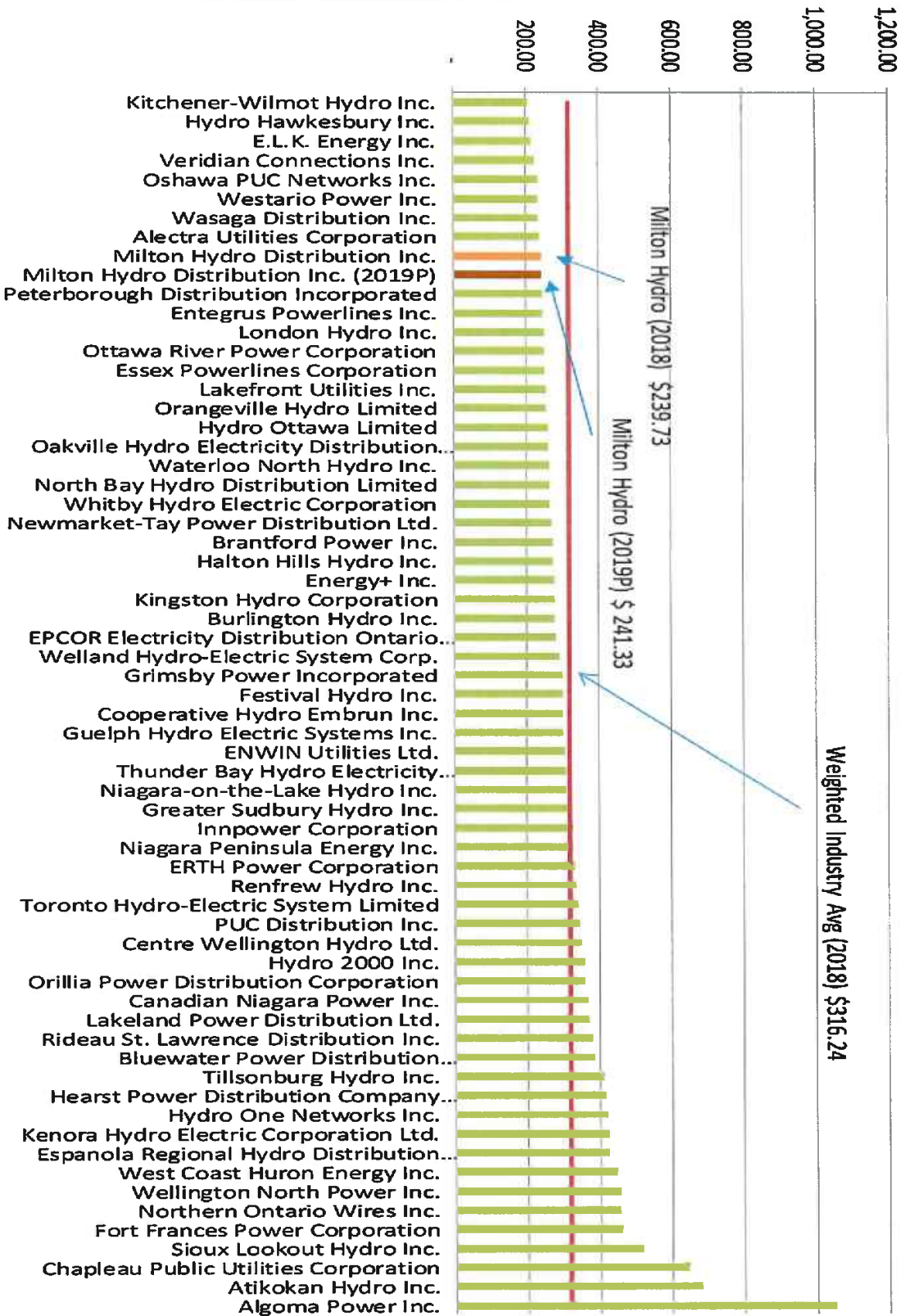
Milton Hydro/Peer Group – OM&A per Customer:

Mid-Size GTA Medium-High & High Undergrounding (as per the OEB Year Book Statistics)	OM&A per Customer 2011	OM&A per Customer 2012	OM&A per Customer 2013	OM&A per Customer 2014	OM&A per Customer 2015	OM&A per Customer 2016	OM&A per Customer 2017	OM&A per Customer 2018	OM&A per Customer 2019P	OM&A per Customer 2020B
Kitchener-Wilmot Hydro Inc.	154.69	189.02	186.18	186.70	178.78	186.10	191.43	204.76		
Oshawa PUC Networks Inc.	191.13	210.65	207.71	204.78	211.45	220.83	227.05	234.08		
Milton Hydro Distribution Inc.	209.83	209.19	247.59	243.34	275.99	262.20	235.96	239.73	241.33	255.87
Oakville Hydro Electricity Distribution Inc.	206.45	223.21	270.31	263.02	269.33	261.30	260.79	260.55		
Waterloo North Hydro Inc.	181.61	219.96	244.24	259.20	239.32	236.41	246.42	261.50		
Whitby Hydro Electric Corporation	213.50	219.49	266.29	255.33	272.90	281.21	287.75	265.04		
Newmarket - Tay Power Distribution Ltd.	198.21	240.26	214.87	231.48	214.43	218.43	263.16	266.34		
Brantford Power Inc.	176.40	198.95	229.54	235.71	232.85	264.39	255.13	270.64		
Halton Hills Hydro Inc.	226.82	283.20	240.83	246.30	268.77	277.18	274.60	274.40		
Cambridge and North Dumfries Hydro Inc./Energy + Inc.	208.64	266.21	274.72	274.29	270.45	270.80	273.11	274.66		
Burlington Hydro Inc.	225.24	252.49	260.13	263.52	267.05	272.59	271.52	278.61		
Guelph Hydro Electric Systems Inc.	250.75	266.86	298.11	271.51	281.14	265.81	274.87	300.73		
Peer Group Average of Distributors that Reported	203.61	231.62	245.04	244.60	248.54	251.44	255.15	260.92		
Peer Group Average Excluding Milton Hydro	208.05	235.50	250.39	249.86	254.88	257.38	260.94	266.03		

Source: OEB Yearbooks of Electricity Distributors

MHDI 2016 COS - \$261.03 OM&A per customer

2018A & 2019P OM&A per Customer-smallest to largest



MHDI Status - Budget/LRP Financial Summary

Milton Hydro Distribution Inc.
Statement of Comprehensive Income

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Revenue								
Sale of energy	\$ 100,966,319	\$ 101,379,746	\$ 124,734,021	\$ 105,749,878	\$ 108,257,451	\$ 110,415,970	\$ 112,574,490	\$ 114,733,009
Distribution revenue	16,615,170	17,651,774	18,118,944	18,172,943	18,932,283	19,655,269	20,374,404	21,111,928
Other	1,951,744	2,607,092	2,080,667	2,154,069	2,147,011	2,270,231	2,377,372	2,486,786
	119,533,233	121,638,612	144,933,632	126,076,890	129,336,744	132,341,470	135,326,267	138,331,723
Operating expenses								
Cost of power purchased	102,862,812	102,620,246	124,734,021	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
Operations & Maintenance	3,334,905	3,772,972	3,995,569	3,848,365	3,922,810	4,020,880	4,121,402	4,224,437
Administration	5,606,342	5,715,269	6,402,504	5,909,294	6,690,190	6,891,475	7,097,793	7,309,268
Operations, Maintenance & Administration	8,941,247	9,488,241	10,398,073	9,757,659	10,613,000	10,912,356	11,219,195	11,533,705
Depreciation and amortization	3,482,059	3,761,991	4,017,126	4,093,445	4,498,703	4,814,999	5,113,443	5,412,245
Removals of property, plant and equipment	359,103	25,965	350,000	650,000	650,000	450,000	450,000	450,000
	115,645,221	115,896,443	139,499,221	120,250,982	124,019,154	126,593,325	129,357,128	132,128,959
Income from operating activities	3,888,012	5,742,169	5,434,412	5,825,908	5,317,590	5,748,146	5,969,139	6,202,764
Finance income	(141,734)	(182,493)	(140,000)	(168,719)	(140,000)	(140,000)	(140,000)	(140,000)
Finance costs	2,570,940	2,606,634	2,700,333	2,820,671	2,787,353	2,883,951	2,975,212	3,060,919
Income before income taxes	1,458,806	3,318,028	2,874,079	3,173,956	2,670,238	3,004,195	3,133,927	3,281,845
Income tax expense	888,791	1,270,930	761,600	880,056	707,600	796,100	830,500	869,700
Net income before net movement in Reg balances	570,015	2,047,098	2,112,479	2,293,900	1,962,638	2,208,095	2,303,427	2,412,145
Net movement in regulatory balances	1,896,493	1,240,500	-	-	-	-	-	-
Income Tax on Regulatory Balances	598,674	1,015,398	-	-	-	-	-	-
Net income after net movement in Reg balances	3,065,182	4,302,996	2,112,479	2,293,900	1,962,638	2,208,095	2,303,427	2,412,145
Other comprehensive income								
Items that will not be reclassified to profit or loss:								
Remeasurements of post-employment benefits	(138,500)	-	-	-	-	-	-	-
Tax on remeasurements	36,703	-	-	-	-	-	-	-
Net movement in regulatory balances, net of tax	-	-	-	-	-	-	-	-
Other comprehensive income for the year	\$ (101,797)	-	-	-	-	-	-	-
Total Net Income	\$ 2,963,385	\$ 4,302,996	\$ 2,112,479	\$ 2,293,900	\$ 1,962,638	\$ 2,208,095	\$ 2,303,427	\$ 2,412,145

MHDI Status - Budget/LRP Financial Summary – Assumptions for 2021, 2022 and 2023

= Distribution Revenue

- = 1000 new residential customers;
- = 32 new GS customers
- = Inflationary increase of 1.50% annually

= OM&A

- = 2.5% increase in OM&A
- = One NEW headcount increase per year

= Interest

- = New debt of \$4.0M in July of 2021, 2022 & 2023 to fund capital projects;
- = Interest assumed at 4.0%

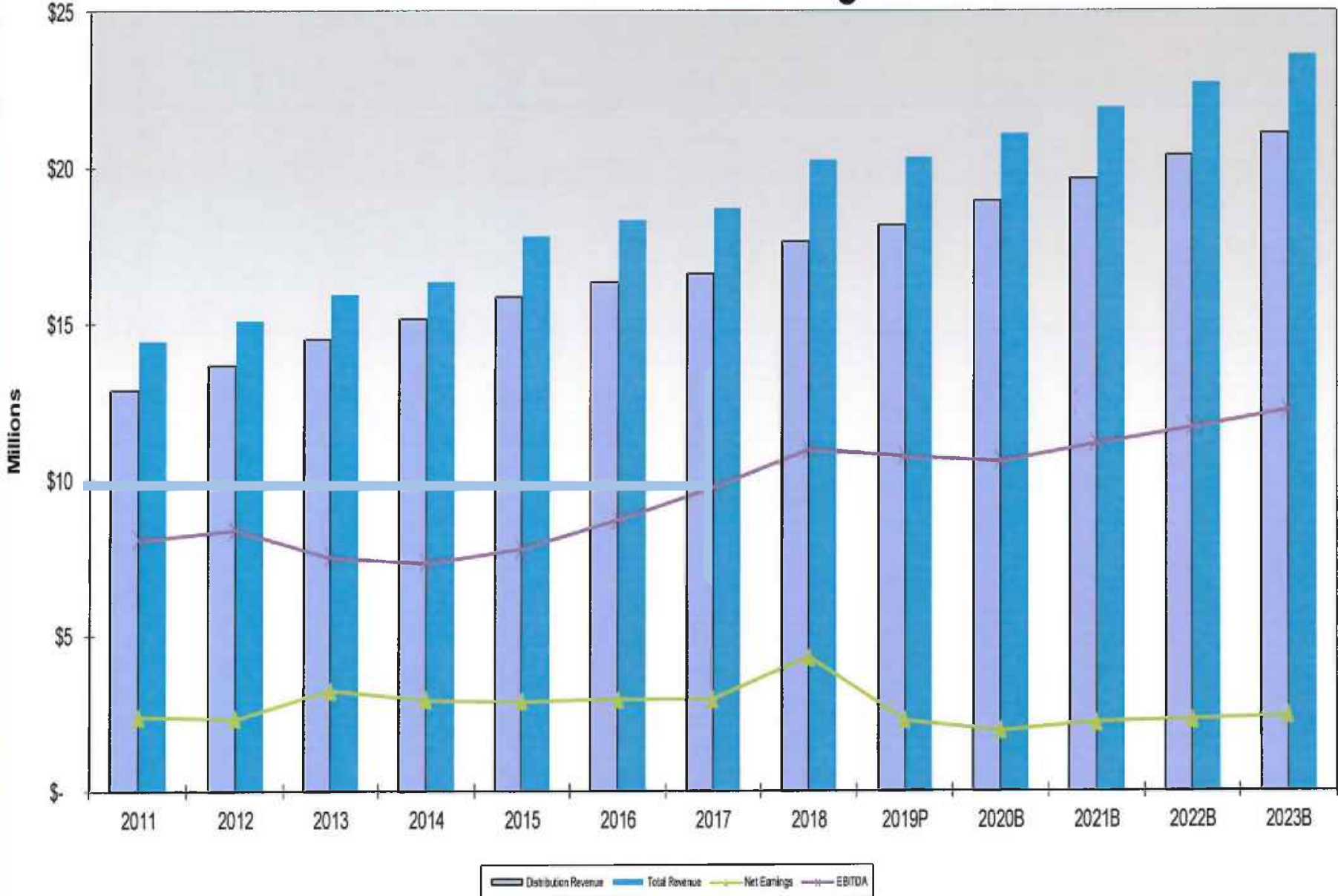
= Depreciation

- = Capex for 2021-2023 – \$9.5M

= PILS

- = Tax rate is 26.5%

Revenue and Earnings



Key Budget Assumptions – con't

Customers per Employee:

	Customers per Employee Dec 31, 2011 (OEB Yearbook)	Customers per Employee Dec 31, 2012 (OEB Yearbook)	Customers per Employee Dec 31, 2013 (OEB Yearbook)	Customers per Employee Dec 31, 2014 (OEB Yearbook)	Customers per Employee Dec 31, 2015 (OEB Yearbook)	Customers per Employee Dec 31, 2016 (OEB Yearbook)	Customers per Employee Dec 31, 2017 (OEB Yearbook)	Customers per Employee Dec 31, 2018 (OEB Yearbook)	Customers per Employee 2019P Budget	Customers per Employee 2020 Budget	Customers per Employee 2021 Budget	Customers per Employee 2022 Budget	Customers per Employee 2023 Budget
Mid-Size GTA Medium-High & High Undergrounding (as per the Mearie & OEB Yearbook)													
Oshawa PUC Networks Inc.	717	711	750	720	717	757	686	653					
Burlington Hydro Inc.	694	711	695	699	732	734	746	738					
Brantford Power Inc.	584	554	602	681	675	691	672	633					
Milton Hydro Distribution Inc.	663	673	655	675	640	624	677	747	780	771	776	781	785
Newmarket - Tay Power Distribution Ltd.	585	594	607	612	628	808	714	777					
Oakville Hydro Electricity Distribution Inc.	595	583	579	579	591	620	641	693					
Kitchener-Wilmot Hydro Inc.	506	500	509	506	508	503	504	526					
Cambridge and North Dumfries Hydro Inc. /Energy+	543	541	517	502	483	509	514	523					
Guelph Hydro Electric Systems Inc.	484	491	459	445	434	439	438	464					
Waterloo North Hydro Inc.	454	449	395	417	417	413	449	463					
Halton Hills Hydro Inc.	433	418	413	406	430	409	419	449					
Whitby Hydro Electric Corporation	606	n/a	n/a	n/a	n/a	n/a	n/a	n/a					
Peer Group Average of Distributors that Reported	572	566	562	567	569	592	587	606					
Peer Group Average Excluding Milton Hydro	564	555	553	557	561	588	578	592					

Source: MEARIE 2009/2010, 2010/2011 & 2011/2012/2013
Survey of Ontario's Local Distribution Companies

Key Budget Assumptions – con't

Capital Expenditures:

MHDI System Access Projects

➤ 2019P	\$4.80 million
➤ 2020B	\$8.67 million
➤ 2021B	\$4.40 million

MHDI System Renewal Projects

➤ 2019P	\$1.91 million
➤ 2020B	\$1.44 million
➤ 2021B	\$1.54 million

MHDI System Service Projects

➤ 2019P	\$ 2.29 million
➤ 2020B	\$ 1.44 million
➤ 2021B	\$ 3.35 million

Key Budget Assumptions – con't

MHDI One-Time Expenditures:

- 2019 Projected
 - Tremaine TS
 - Breakers (2) - \$1,000,000 – final payment
 - Feeder Egress - \$1,500,000
 - Software
 - ArcGIS Maps \$40,000
 - Licenses - \$42,000
 - Server/Desktops - \$71,000
 - Pickup trucks/Electric Vehicle- \$128,000
 - Building – Warehouse Floor- \$170,000
 - Boiler - \$105,000
 - Geothermal \$20,000
- 2020 Budget
 - Halton TS expansion - \$650,000 (design)
 - Software-
 - Utilismart (OMS/regulatory portion)- \$502,000
 - Server/Firewall/Desktops- \$82,500
 - Building – Elevator retrofit - \$130,000

Key Budget Assumptions – con't

➤ Long Term Debt:

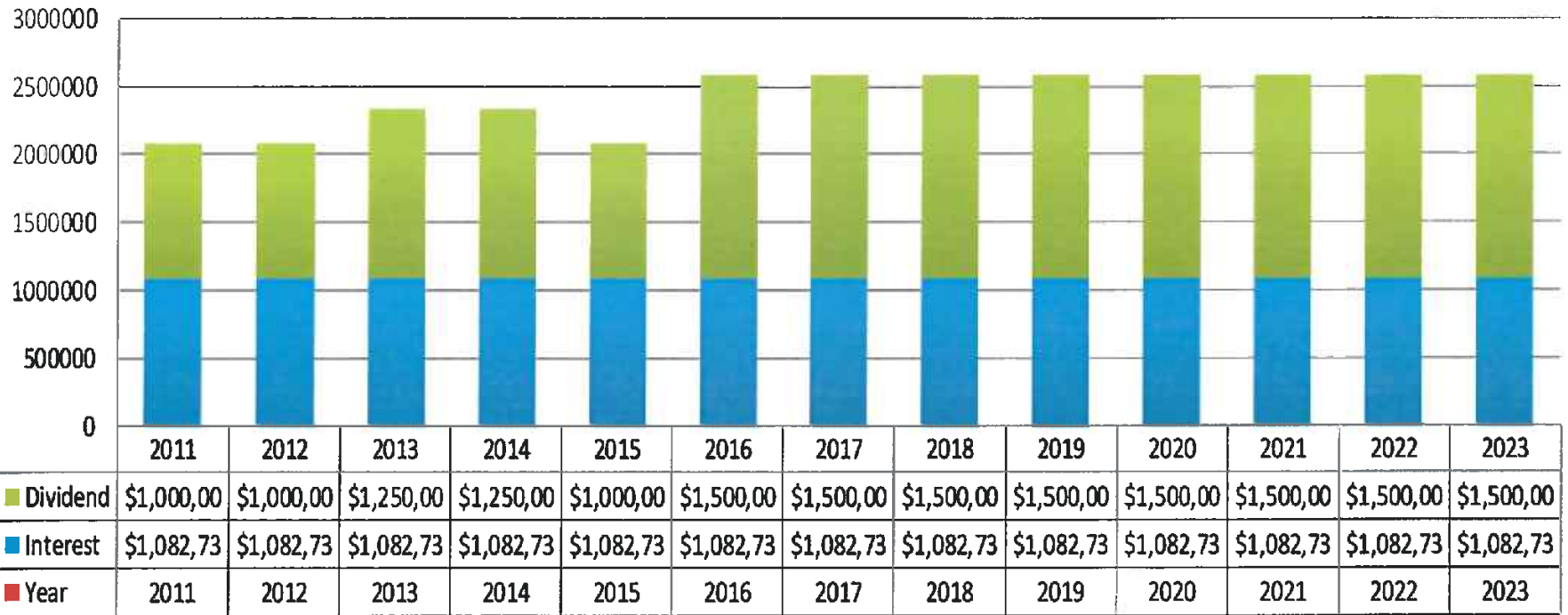
MHDI forecasts third party borrowings to fund capital projects. Interest on 2019 draw – 3.146%; assumed at 4.0% for 2020 to 2023. Borrowing as follows:

- 2019P - \$ 4.0 million
- 2020 - \$ 4.0 million
- 2021 - \$ 4.0 million
- 2022 - \$ 4.0 million
- 2023 - \$ 4.0 million

Promissory Note to Town:

Interest of \$1.082 million reflecting 7.25% payable on promissory note of \$14.934 million; no principal payments assumed during forecast period. Deemed interest rate for MHDI's 2016 Cost of Service rate decision by the OEB is 3.85% . It is assumed that Milton Hydro will continue to pay interest to the Town at 7.25% (\$508,000 annually in excess interest to what is being collected in distribution rates).

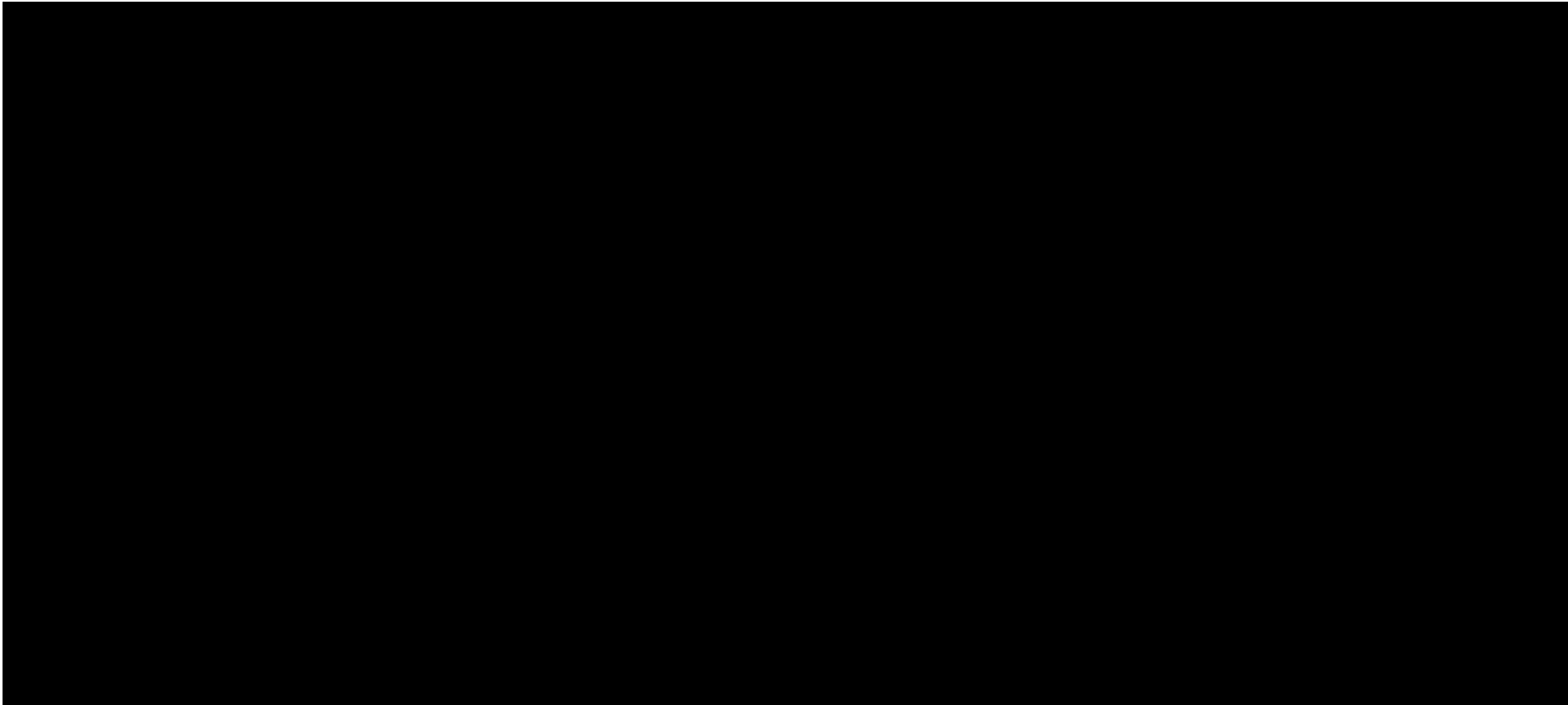
MHDl Payments to Shareholder



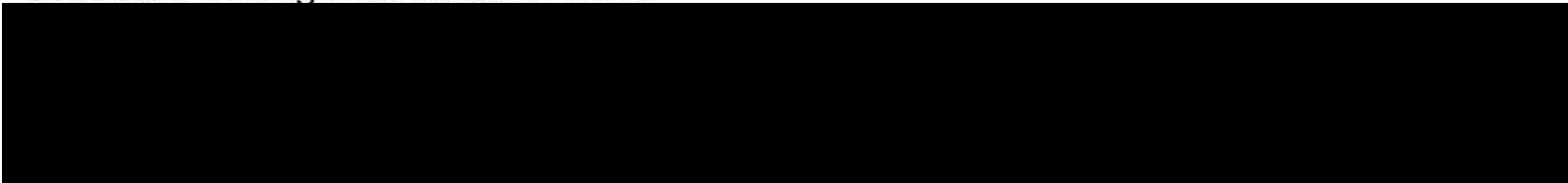
- Interest paid to Town by MHDl includes approximately \$508,000 in excess of interest collected through distribution rates (difference between 3.85% OEB-approved rate versus 7.25% interest rate paid to Shareholder)
- In 2019, MHDl will pay \$1.5M; MHDl is proposing a dividend of \$1.50 million in each year of the forecast period of 2020-2022.

Milton Hydro Holdings Inc.

Total payments forecasted to Shareholder from 2001 to 2023 = 



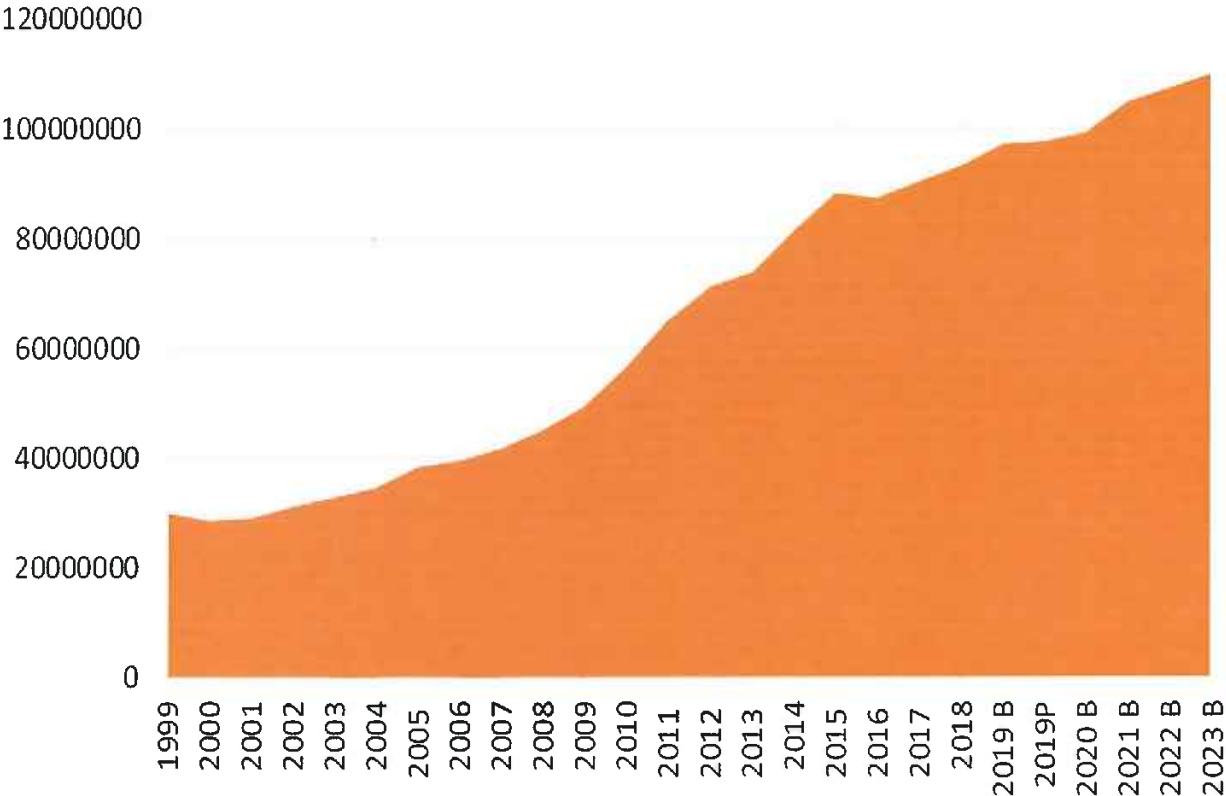
- Interest paid to Town includes approximately \$508,000 in excess of interest collected through distribution rates



Rate Base

Currently Calculated as:

- Net Fixed Assets (Net of Contributed Capital/Deferred Revenue)
- Plus: Working Capital allowance defined as 7.5%* x (COP + Controllable Expenses)



* Changed from 15.0% to 7.5% effective May 1, 2016

Covenants

New Covenants per TD Bank

Covenant Test Ratios	Target	2015 A	2016 A	2017 A	2018 A	2019 B	2019 P	2020 B	2021 B	2022 B	2023 B
Current Ratio	Minimum 1.1:1	1.83	1.66	1.45	1.41	1.67	1.54	1.58	1.59	1.61	1.64
Debt Service Coverage Ratio	Minimum 1.15:1	2.16	1.33	1.47	1.71	1.53	1.60	1.46	1.62	1.64	1.66
Debt to Capital Ratio	not greater than 60%	57.2%	57.2%	55.7%	55.3%	56.8%	56.0%	56.8%	57.3%	57.7%	58.0%

Forecasting Risk Factors

➤ Rate Regulation and Regulatory Uncertainty

- 2020 IRM Inflationary factor & Stretch factor approval outstanding
- Next COS for MHDl is May 1, 2021; MHDl has asked for a deferral; however due to the continued shortfall of residential development, MHDl may need to rebase – cost, resourcing and timing implications

➤ Residential Development in Town of Milton

- Growth projections – assuming 1000 new residential connections but this may be optimistic
- Growth in Unit Sub-metering may impact individual residential connections

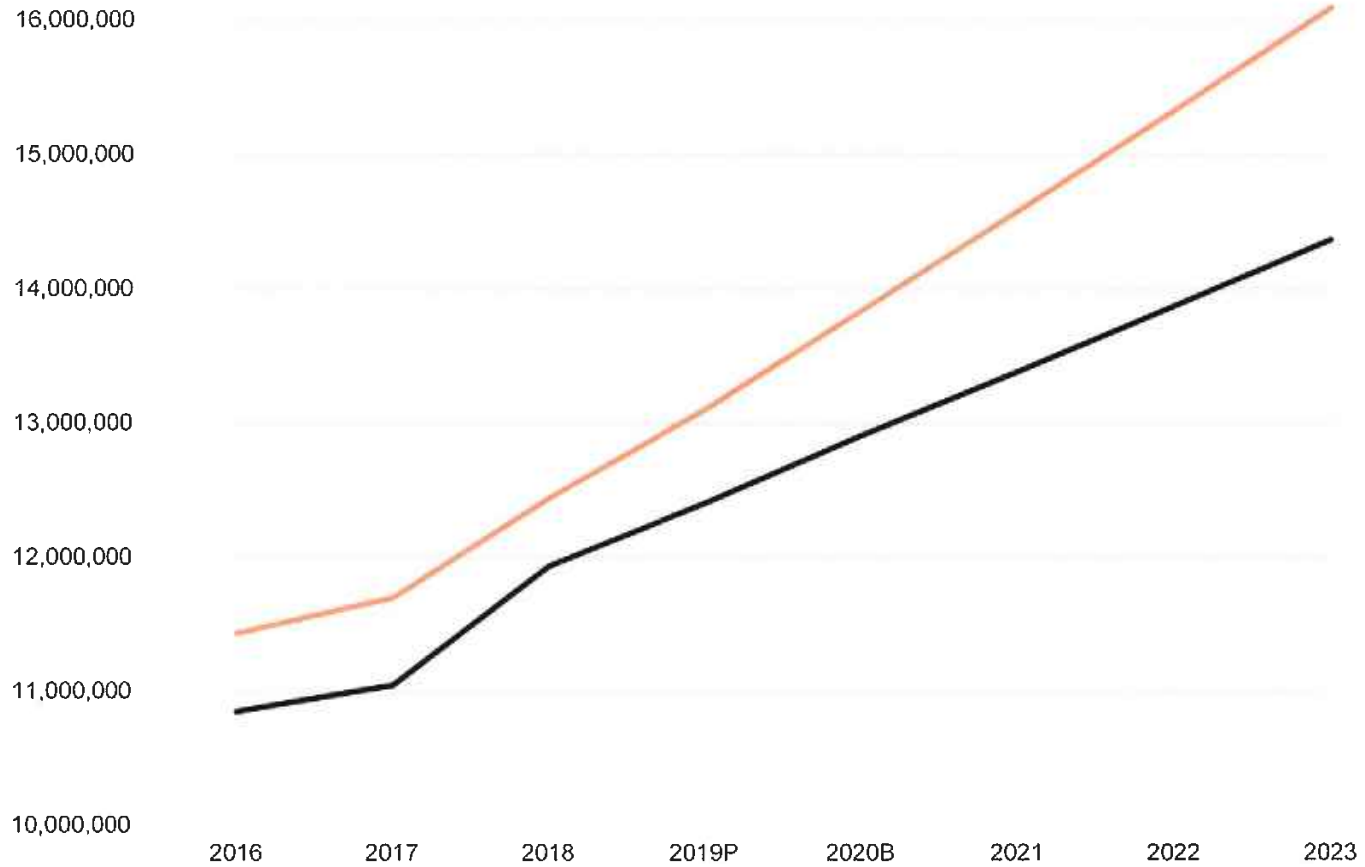
➤ Economic Uncertainty

- Growth
- Impact on GS customers
- Credit Risk - Impact of OEB Amendments to Distribution System Code with respect to customer service policies may lead to higher bad debts

➤ Timing & Cost Implications

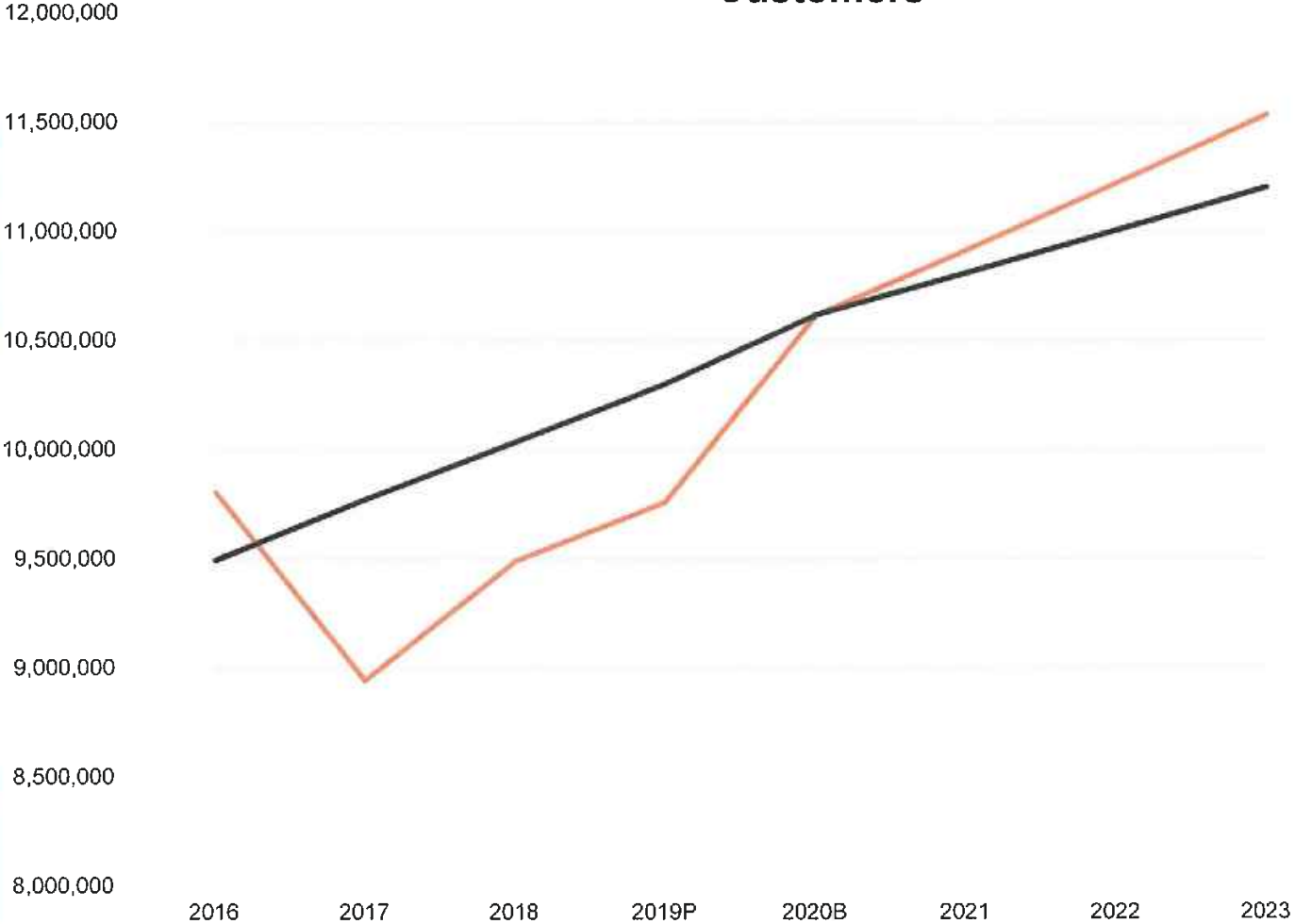
- New Transformer Station & Feeder Lines to deal with continued growth
- Ministry of Finance PILS audit assessment on 2015/2016 fiscal years – reviewing decision to appeal; Impacts 2017 and 2018 - Financial impact ?

Residential Revenue Based on Cost of Service Growth Comparison to Actual & Budget



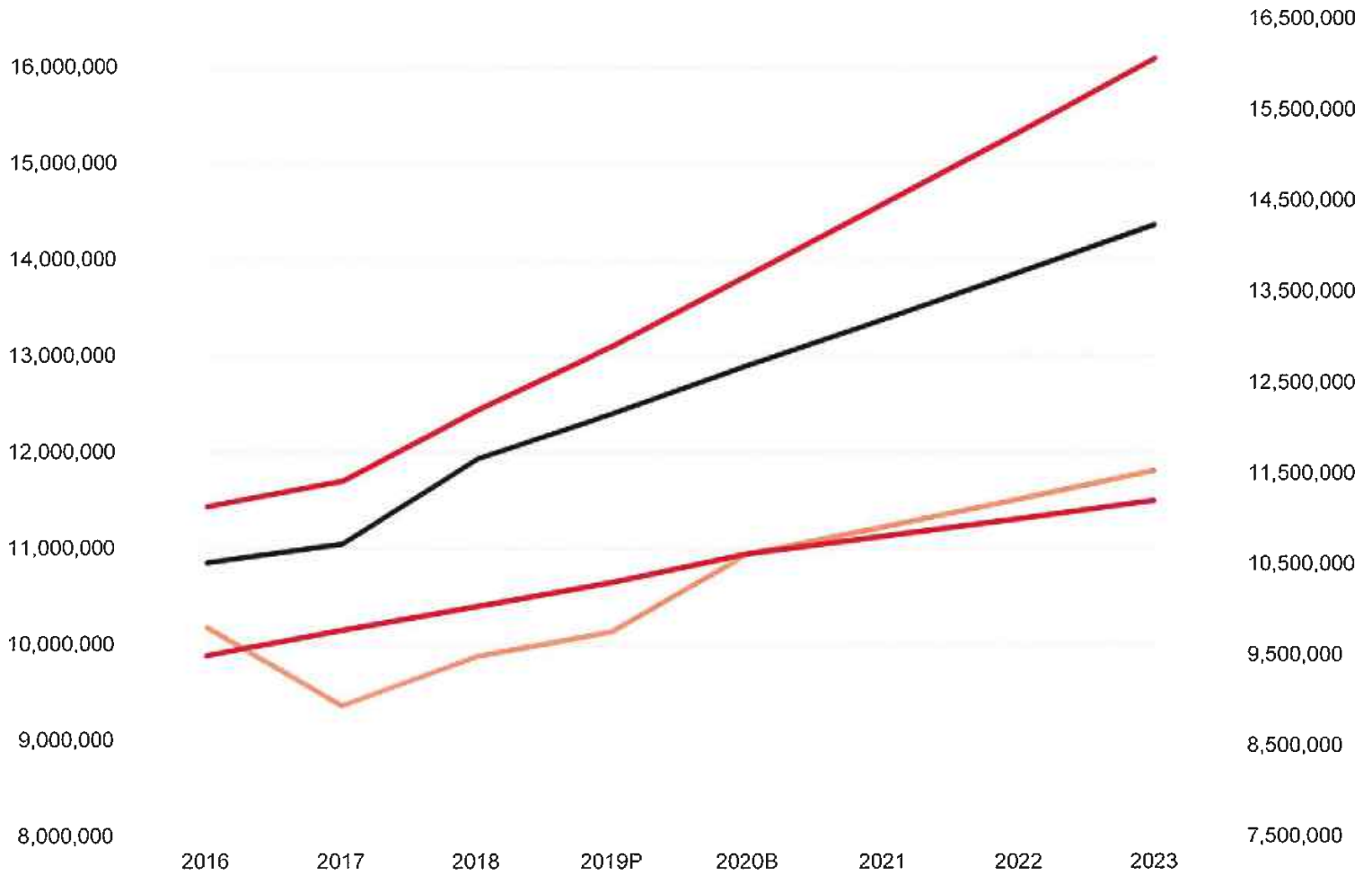
— Revenue 1500 Residential Cost of Service — Revenue Actual & 1000 Residential Forecast

OM&A Actual & Budget vs. Inflation + PEG % Per 1000 Customers



— OM&A Actual & Budget — OM&A Based on Inflation & PEG % per 1000 Customers

Residential Revenue Based on Cost of Service Growth Comparison to Actual & Budget vs. OM&A Actual & Budget & Inflation + PEG % Per 1000 Customers



- Revenue Actual & 1000 Residential Forecast
- Revenue 1500 Residential Cost of Service
- OM&A Actual & Budget
- OM&A Based on Inflation & PEG % per 1000 Customers

**Milton Hydro Distribution Inc.
Statements of Financial Position**

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Assets								
Current assets								
Cash and cash equivalents	\$ 10,059,224	\$ 8,374,579	\$ 10,979,258	\$ 8,292,408	\$ 9,210,007	\$ 9,587,748	\$ 10,118,007	\$ 10,847,334
Accounts receivable	\$ 10,344,174	\$ 10,369,910	\$ 11,960,797	\$ 11,883,010	\$ 12,196,276	\$ 12,472,585	\$ 12,748,524	\$ 13,026,227
Due from related parties								
Unbilled revenue	10,063,177	11,172,503	10,505,873	10,505,874	10,782,835	11,027,122	11,271,082	11,516,602
Income taxes receivable	768,369	180,633	-	-	-	-	-	-
Materials and supplies	1,325,720	1,368,320	1,325,720	1,368,320	1,368,320	1,368,320	1,368,320	1,368,320
Prepaid expenses	977,824	1,004,949	769,412	900,743	900,743	900,743	900,743	900,743
Total current assets	33,538,488	32,470,894	35,541,060	32,950,355	34,458,180	35,356,517	36,406,677	37,659,226
Non-current assets								
Property, plant and equipment	95,512,331	102,204,990	104,985,649	108,129,994	115,035,805	119,421,976	123,509,703	127,298,628
Intangible assets	926,566	1,171,266	926,566	908,214	908,214	908,214	908,214	908,214
Total non-current assets	96,438,897	103,376,256	105,912,215	109,038,208	115,944,019	120,330,190	124,417,917	128,206,842
Total assets	129,977,385	135,847,150	141,453,275	141,988,563	150,402,199	155,686,707	160,824,594	165,866,068
Regulatory balances	5,521,412	8,283,379	3,060,586	5,507,097	3,808,414	3,836,057	3,906,057	3,976,057
Total assets and regulatory balances	\$ 135,498,797	\$ 144,130,529	\$ 144,513,861	\$ 147,495,660	\$ 154,210,613	\$ 159,522,765	\$ 164,730,651	\$ 169,842,125
Liabilities								
Current liabilities								
Accounts payable and accrued Liabilities	\$ 18,198,125	\$ 17,051,667	\$ 17,969,654	\$ 17,821,855	\$ 18,253,940	\$ 18,624,644	\$ 18,994,471	\$ 19,363,385
Long-term debt due within one year								
Customer deposits	3,375,448	3,610,992	3,375,448	3,610,992	3,610,992	3,610,992	3,610,992	3,610,992
Total current liabilities	21,573,573	20,662,659	21,345,102	21,432,847	21,864,932	22,235,636	22,605,463	22,974,377
Non-current liabilities								
Long-term debt	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Post-employment benefits	482,392	496,556	521,755	516,418	537,075	558,558	580,900	604,136
Deferred revenue	12,184,686	14,736,029	15,820,134	17,047,083	20,427,751	22,352,681	24,215,307	26,015,628
Other liabilities	2,037,890	2,019,831	2,037,890	2,019,831	2,019,831	2,019,831	2,019,831	2,019,831
Deferred tax liabilities	2,840,383	3,828,933	2,840,383	3,138,933	3,138,933	3,138,933	3,138,933	3,138,933
Total non-current liabilities	70,177,880	76,411,460	79,088,286	80,624,317	86,444,548	90,677,901	94,712,531	98,542,946
Total liabilities	91,751,453	97,074,119	100,433,388	102,057,164	108,309,480	112,913,536	117,317,995	121,517,324
Equity								
Share capital	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
Contributed surplus								
Retained earnings	21,869,310	23,332,694	24,959,087	26,135,688	26,929,588	27,392,226	28,100,321	28,903,749
Distribution Income - current year	2,963,385	4,302,996	2,112,479	2,293,900	1,962,638	2,208,095	2,303,427	2,412,145
Accumulated other comprehensive income/(loss)								
Total equity	41,841,603	44,644,597	44,080,474	45,438,496	45,901,134	46,609,229	47,412,657	48,324,802
Total liabilities and equity	133,593,056	141,718,717	144,513,862	147,495,660	154,210,614	159,522,765	164,730,652	169,842,126
Regulatory balances	1,905,743	2,411,812						
Total liabilities, equity and regulatory balances	\$ 135,498,799	\$ 144,130,529	\$ 144,513,862	\$ 147,495,660	\$ 154,210,614	\$ 159,522,765	\$ 164,730,652	\$ 169,842,126

**Milton Hydro Distribution Inc.
Statement of Comprehensive Income**

	2017 Actual	2018 Actual	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Revenue							
Sale of energy	\$ \$ 100,966,319	\$ 101,379,746	\$ 105,749,878	\$ 108,257,451	\$ 110,415,970	\$ 112,574,490	\$ 114,733,009
Distribution revenue	16,615,170	17,651,774	18,172,943	18,932,283	19,655,269	20,374,404	21,111,928
Other	1,951,744	2,607,092	2,154,069	2,147,011	2,270,231	2,377,372	2,486,786
	<u>119,533,233</u>	<u>121,638,612</u>	<u>126,076,890</u>	<u>129,336,744</u>	<u>132,341,470</u>	<u>135,326,267</u>	<u>138,331,723</u>
Operating expenses							
Cost of power purchased	102,862,812	102,620,246	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
Operations & Maintenance	3,334,905	3,772,972	3,848,365	3,922,810	4,020,880	4,121,402	4,224,437
Administration	5,606,342	5,715,269	5,909,294	6,690,190	6,891,475	7,097,793	7,309,268
Operations, Maintenance & Administration	<u>8,941,247</u>	<u>9,488,241</u>	<u>9,757,659</u>	<u>10,613,000</u>	<u>10,912,356</u>	<u>11,219,195</u>	<u>11,533,705</u>
Depreciation and amortization	3,482,059	3,761,991	4,093,445	4,498,703	4,814,999	5,113,443	5,412,245
Removals of property, plant and equipment	359,103	25,965	650,000	650,000	450,000	450,000	450,000
	<u>115,645,221</u>	<u>115,896,443</u>	<u>120,250,982</u>	<u>124,019,154</u>	<u>126,593,325</u>	<u>129,357,128</u>	<u>132,128,959</u>
Income from operating activities	<u>3,888,012</u>	<u>5,742,169</u>	<u>5,825,908</u>	<u>5,317,590</u>	<u>5,748,146</u>	<u>5,969,139</u>	<u>6,202,764</u>
Finance income	(141,734)	(182,493)	(168,719)	(140,000)	(140,000)	(140,000)	(140,000)
Finance costs	2,570,940	2,606,634	2,820,671	2,787,353	2,883,951	2,975,212	3,060,919
Income before income taxes	<u>1,458,806</u>	<u>3,318,028</u>	<u>3,173,956</u>	<u>2,670,238</u>	<u>3,004,195</u>	<u>3,133,927</u>	<u>3,281,845</u>
Income tax expense	888,791	1,270,930	880,056	707,600	796,100	830,500	869,700
Net income before net movement in Reg balances	<u>570,015</u>	<u>2,047,098</u>	<u>2,293,900</u>	<u>1,962,638</u>	<u>2,208,095</u>	<u>2,303,427</u>	<u>2,412,145</u>
Net movement in regulatory balances	1,896,493	1,240,500	-	-	-	-	-
Income Tax on Regulatory Balances	598,674	1,015,398					
Net income after net movement in Reg balances	<u>3,065,182</u>	<u>4,302,996</u>	<u>2,293,900</u>	<u>1,962,638</u>	<u>2,208,095</u>	<u>2,303,427</u>	<u>2,412,145</u>
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Remeasurements of post-employment benefits	(138,500)						
Tax on remeasurements	36,703						
Net movement in regulatory balances, net of tax							
Other comprehensive income for the year	<u>\$ (101,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Income	<u>\$ \$ 2,963,385</u>	<u>\$ 4,302,996</u>	<u>\$ 2,293,900</u>	<u>\$ 1,962,638</u>	<u>\$ 2,208,095</u>	<u>\$ 2,303,427</u>	<u>\$ 2,412,145</u>

2.2

**Milton Hydro Distribution Inc.
Statement of Cash Flows**

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Operating activities								
Net Income and net movement in regulatory balances	3,065,182	4,302,996	2,112,479	2,293,900	1,962,638	2,208,095	2,303,427	2,412,145
Adjustments for:								
Depreciation and amortization	3,733,714	4,047,776	4,329,206	4,412,318	4,827,585	5,143,881	5,442,325	5,741,127
Amortization of deferred revenue	(295,202)	(368,975)	(405,479)	(433,656)	(515,750)	(595,070)	(657,374)	(719,678)
Post-employment benefits	24,071	14,164	20,068	19,862	20,657	21,483	22,342	23,236
Loss/(Gain) on Removals of property, plant and equipr	359,103	25,965	350,000	650,000	650,000	450,000	450,000	450,000
Contributions received from customers	2,370,326	2,902,259	2,304,793	2,744,710	3,896,419	2,520,000	2,520,000	2,520,000
Net finance costs	2,429,206	2,424,141	2,560,333	2,651,952	2,647,353	2,743,951	2,835,212	2,920,919
Income tax expense	888,791	1,270,930	-	-	-	-	-	-
Change in non-cash operating working capital:								
Accounts receivable	(353,116)	324,264	(254,175)	(1,513,100)	(313,266)	(276,309)	(275,939)	(277,703)
Due to/from related parties	-	-	-	-	-	-	-	-
Unbilled revenue	2,607,226	(1,109,326)	(223,256)	666,629	(276,961)	(244,287)	(243,961)	(245,519)
Materials and supplies	227,548	(42,600)	-	-	-	-	-	-
Prepaid expenses	(609,139)	(27,125)	104,206	104,206	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities	1,422,438	(1,146,458)	357,030	770,188	432,085	370,703	369,828	368,914
Customer deposits	126,699	235,544	-	-	-	-	-	-
Other liabilities	1,101,763	-	-	(690,000)	-	-	-	-
	17,098,610	12,853,556	11,255,204	11,677,008	13,330,759	12,342,447	12,765,860	13,193,440
Regulatory balances	(3,596,930)	(2,255,898)	(211,186)	364,470	1,698,683	(27,644)	(70,000)	(70,000)
Income tax paid	(274,452)	(301,386)	-	-	-	-	-	-
Income tax received	403,572	606,742	-	180,633	-	-	-	-
Interest paid	(2,570,043)	(2,606,634)	(2,700,333)	(2,820,671)	(2,787,353)	(2,883,951)	(2,975,212)	(3,060,919)
Interest received	141,734	182,493	140,000	168,719	140,000	140,000	140,000	140,000
Net cash from operating activities	11,202,491	8,478,873	8,483,686	9,570,160	12,382,089	9,570,852	9,860,649	10,202,521
Investing activities								
Purchase of property, plant and equipment	(8,848,614)	(11,011,099)	(10,419,770)	(10,724,271)	(12,383,396)	(9,980,052)	(9,980,052)	(9,980,052)
Proceeds on disposal of property, plant and equipment	-	-	-	-	-	-	-	-
Purchase of Intangibles	-	-	-	-	-	-	-	-
Loan to associated company	(350,000)	(350,000)	-	-	-	-	-	-
Net cash used by investing activities	(9,198,614)	(11,361,099)	(10,419,770)	(10,724,271)	(12,383,396)	(9,980,052)	(9,980,052)	(9,980,052)
Financing activities								
Dividends paid	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Proceeds from long-term debt	(1,224,934)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Repayment of long-term debt	-	(1,302,418)	(1,443,663)	(1,428,059)	(1,581,095)	(1,713,059)	(1,850,337)	(1,993,143)
Net cash from financing activities	(2,724,934)	1,197,582	1,056,337	1,071,941	918,905	786,941	649,663	506,857
Change in cash and cash equivalents	(721,057)	(1,684,645)	(879,747)	(82,171)	917,598	377,741	530,260	729,326
Cash and cash equivalents, beginning of year	10,780,281	10,059,224	11,859,005	8,374,579	8,292,408	9,210,007	9,587,748	10,118,007
Cash and cash equivalents, end of year	10,059,224	8,374,579	10,979,258	8,292,408	9,210,007	9,587,748	10,118,007	10,847,334

2.3

MILTON HYDRO DISTRIBUTION INC.
MISCELLANEOUS REVENUE

	2017	2018	2019	2019	2020	2021	2022	2023
	Actual	Actual	Budget	Projected	Budget	Budget	Budget	Budget
POLE ATTACHMENT FEE	\$ 260,595	\$ 183,634	\$ 152,749	\$ 185,000	\$ 188,700	\$ 192,474	\$ 196,323	\$ 200,250
CHISHOLM ROOF RENTAL			\$ -	\$ 7,200	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
INTEREST CHARGE	\$ 287,540	\$ 296,551	\$ 299,756	\$ 308,436	\$ 314,605	\$ 320,897	\$ 327,315	\$ 333,861
REGION - WATER AND SEWAGE FEE	\$ 636,101	\$ 670,225	\$ 710,577	\$ 717,743	\$ 752,366	\$ 785,801	\$ 819,954	\$ 856,155
COLLECTION CHARGE	\$ 185,880	\$ 185,430	\$ 179,449	\$ 48,360	\$ -	\$ -	\$ -	\$ -
RECONNECTION CHARGE	\$ 6,655	\$ 5,120	\$ 4,120	\$ 6,487	\$ 6,811	\$ 7,152	\$ 7,509	\$ 7,885
PURCHASE DISCOUNTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SALE OF SCRAP MATERIAL	\$ 19,751	\$ 17,287	\$ 20,537	\$ 11,543	\$ 11,543	\$ 11,543	\$ 11,543	\$ 11,543
MISCELLANEOUS REVENUE	\$ 5,432	\$ 3,038	\$ 2,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
N.S.F. CHARGE	\$ 2,836	\$ 2,550	\$ 2,509	\$ 2,780	\$ 2,919	\$ 2,977	\$ 3,037	\$ 3,098
OCCUPANCY CHARGE	\$ 197,850	\$ 227,550	\$ 196,590	\$ 209,640	\$ 209,640	\$ 209,640	\$ 209,640	\$ 209,640
NET BOOK VALUE OF DISPOSALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDM 2015-2022 Program Incentive payment		\$ 527,439						
Disposal of Land/Fixed Assets			\$ -		\$ -	\$ -	\$ -	\$ -
LAWYER'S CERTIFICATES	\$ 847	\$ 842	\$ 900	\$ 1,348	\$ 1,348	\$ 1,348	\$ 1,348	\$ 1,348
BILLING FEE-MEGS (Sentinel Lights)		\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828
OFF CYCLE METER READ	\$ 3,780	\$ 3,360	\$ 2,880	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160	\$ 3,160
STATEMENT OF ACCOUNT	\$ 285	\$ 242	\$ 283	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
INTERVAL METER READ	\$ 64,065	\$ 80,730	\$ 72,807	\$ 87,300	\$ 87,300	\$ 87,300	\$ 87,300	\$ 87,300
MHTI Billing Fee (Sentinel Lights)	\$ 3,828		\$ -		\$ -	\$ -	\$ -	\$ -
RETAILER - ONE TIME CHARGE			\$ -		\$ -	\$ -	\$ -	\$ -
RETAILER - LDC CONSOL BILLING	\$ 5,178	\$ 4,384	\$ 4,695	\$ 5,563	\$ 5,563	\$ 5,563	\$ 5,563	\$ 5,563
RETAILER - RETAILER CONSOL BILL			\$ -		\$ -	\$ -	\$ -	\$ -
MONTHLY FIXED CHARGE	\$ 3,600	\$ 3,600	\$ 3,780	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200
MONTHLY VARIABLE CHARGE	\$ 8,644	\$ 7,330	\$ 7,500	\$ 9,295	\$ 9,295	\$ 9,295	\$ 9,295	\$ 9,295
STR REQUEST FEE	\$ 78	\$ 77	\$ 82	\$ 104	\$ 104	\$ 104	\$ 104	\$ 104
STR PROCESSING FEE	\$ 136	\$ 143	\$ 148	\$ 180	\$ 180	\$ 180	\$ 180	\$ 180
Interest on RSPA accounts	\$ (22,618)	\$ 14,758	\$ 10,000	\$ 92,148	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
OPA Programs - received	\$ 1,922,546.00	\$ 3,282,013.00						
OPA Programs - spent	\$ (1,936,468.00)	\$ (3,282,013.00)						
TOTAL MISCELLANEOUS	\$ 1,656,541	\$ 2,238,118	\$ 1,675,188	\$ 1,720,413	\$ 1,631,261	\$ 1,675,161	\$ 1,719,998	\$ 1,767,108
Deferred Revenue (new effective 2015)	\$ 295,202	\$ 368,974	\$ 405,479	\$ 433,656	\$ 515,750	\$ 595,070	\$ 657,374	\$ 719,678
Total Other Revenue (Before Reg Adjustment)	\$ 1,951,743	\$ 2,607,092	\$ 2,080,667	\$ 2,154,069	\$ 2,147,011	\$ 2,270,231	\$ 2,377,372	\$ 2,486,786
MISC. INTEREST INCOME	\$ 141,733	\$ 182,493	\$ 140,000	\$ 168,719	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Total Other Revenue (After Deferred Revenue)	\$ 2,093,476	\$ 2,789,585	\$ 2,220,667	\$ 2,322,788	\$ 2,287,011	\$ 2,410,231	\$ 2,517,372	\$ 2,626,786

2.4

Milton Hydro Distribution Inc.
Administration Summary

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	\$ Variance 2019P - 2019B	\$ Variance 2020B - 2019P
Community Relations	\$ 21,420	\$ 8,680	\$ 14,094	\$ 10,120	\$ 23,040	\$ 11,100	\$ 17,500	\$ (11,940)	\$ 6,400
Meter Reading	\$ 302,929	\$ 210,720	\$ 285,646	\$ 267,407	\$ 297,931	\$ 227,924	\$ 296,794	\$ (70,008)	\$ 68,870
Billing	\$ 1,136,031	\$ 1,086,549	\$ 1,174,950	\$ 1,139,585	\$ 1,173,538	\$ 1,110,444	\$ 1,206,010	\$ (63,094)	\$ 95,566
Finans	\$ 368,281	\$ 414,685	\$ 439,686	\$ 426,116	\$ 453,479	\$ 404,413	\$ 467,891	\$ (49,066)	\$ 63,478
Collections	\$ 340,142	\$ 325,561	\$ 324,231	\$ 266,016	\$ 320,651	\$ 292,893	\$ 291,696	\$ (27,757)	\$ (1,197)
Board Expenses	\$ 100,540	\$ 98,634	\$ 104,617	\$ 86,818	\$ 100,705	\$ 99,109	\$ 63,817	\$ (1,596)	\$ (35,292)
Executive Expenses	\$ 1,152,477	\$ 1,097,471	\$ 998,342	\$ 1,038,503	\$ 1,359,861	\$ 1,054,223	\$ 1,262,660	\$ (305,638)	\$ 208,437
General Administration	\$ 2,370,303	\$ 2,172,887	\$ 1,808,389	\$ 1,935,331	\$ 2,075,034	\$ 2,109,756	\$ 2,449,564	\$ 34,722	\$ 339,808
Building Expense	\$ 395,909	\$ 441,062	\$ 456,252	\$ 545,373	\$ 598,265	\$ 599,433	\$ 634,259	\$ 1,167	\$ 34,827
Total Administration	\$ 6,188,032	\$ 5,856,248	\$ 5,606,207	\$ 5,715,269	\$ 6,402,504	\$ 5,909,294	\$ 6,690,190	\$ (493,210)	\$ 780,896

2.5

**Milton Hydro Distribution Inc.
Operating & Maintenance Expenses**

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	VARIANCE Proj19 - Bud19	VARIANCE Budget20 - Proj19
Transformer Station	\$ 59,666	\$ 37,960	\$ 54,659	\$ 42,322	\$ 61,147	\$ (12,337)	\$ 18,825
Overhead Lines	\$ 468,144	\$ 761,700	\$ 696,513	\$ 570,249	\$ 538,866	\$ (126,264)	\$ (31,384)
Underground Lines	\$ 148,734	\$ 67,439	\$ 84,437	\$ 151,954	\$ 173,219	\$ 67,517	\$ 21,265
Maintenance of Line Transformers	\$ 176,479	\$ 178,194	\$ 213,874	\$ 274,971	\$ 206,151	\$ 61,097	\$ (68,821)
Tree Trimming	\$ 259,508	\$ 373,691	\$ 349,315	\$ 336,793	\$ 373,573	\$ (12,522)	\$ 36,780
Underground Locates	\$ 378,024	\$ 373,373	\$ 380,000	\$ 350,000	\$ 330,000	\$ (30,000)	\$ (20,000)
Meter Maintenance	\$ 369,993	\$ 412,303	\$ 400,812	\$ 365,885	\$ 352,395	\$ (34,927)	\$ (13,490)
Bell & Cable	\$ 10,797	\$ 10,491	\$ 10,404	\$ 17,613	\$ 18,346	\$ 7,210	\$ 733
Customer Premises	\$ 302,193	\$ 382,742	\$ 378,722	\$ 425,780	\$ 399,498	\$ 47,058	\$ (26,281)
Engineering Administration	\$ 730,958	\$ 784,974	\$ 873,193	\$ 792,832	\$ 882,610	\$ (80,361)	\$ 89,778
Stores Administration	\$ 244,860	\$ 251,505	\$ 284,863	\$ 356,015	\$ 382,004	\$ 71,153	\$ 25,989
Control Room contract services	\$ 185,550	\$ 138,600	\$ 255,000	\$ 163,950	\$ 205,000	\$ (91,050)	\$ 41,050
Total Operating & Maintenance Expenses	\$ 3,334,905	\$ 3,772,972	\$ 3,981,791	\$ 3,848,365	\$ 3,922,810	\$ (133,426)	\$ 74,445

2.6

**Milton Hydro Distribution Inc.
Capital Expenditures**

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
System Access	\$ 1,344,514		1,719,914	2,225,064	6,153,621	1,880,000	1,880,000	1,880,000
System Renewal	2,251,090		2,357,548	1,911,528	1,436,270	1,539,052	1,539,052	1,539,052
System Access	1,360,039		2,596,708	2,292,294	1,440,720	3,345,000	3,345,000	3,345,000
Subdivision Costs	3,078,183		2,520,000	2,570,492	2,520,000	2,520,000	2,520,000	2,520,000
Total Distribution Expenses	8,033,825	9,874,760	9,194,170	8,999,378	11,550,610	9,284,052	9,284,052	9,284,052
NBV Removals	(770,626)	(404,135)	(350,000)	(650,000)	(650,000)	(450,000)	(450,000)	(450,000)
Building for New Headquarters	74,555	55,832		307,160	130,000			
Building - work in progress								
WIP	336,388	164,901						
Other Capex - Replacement & Refurbishment/Tremaine TS			1,000,000	1,000,000				
Non-Growth Related Capex	(359,883)	(183,402)	650,000	657,180	(520,000)	(450,000)	(450,000)	(450,000)
Total Transmission and Distribution Capital Expenditures	7,674,142	9,691,358	9,844,170	9,656,538	11,030,610	8,834,052	8,834,052	8,834,052
Total Other Capital Expenditures (office eqmt, tools)	815,735	1,293,776	225,600	417,733	702,786	696,000	696,000	696,000
Total Land Capital Expenditures								
GROSS CAPITAL EXPENDITURES	8,489,877	10,985,134	10,069,770	10,074,271	11,733,396	9,530,052	9,530,052	9,530,052
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers			0	0	0	0		
Capital Contributions Received - Growth-Related	(2,879,515)	(2,920,318)	(2,304,793)	(2,744,710)	(3,896,419)	(2,520,000)	(2,520,000)	(2,520,000)
Capital Contributions Received - Non-Growth Related			0	0	0	0		
Total Capital Contributions - net	(2,879,515)	(2,920,318)	(2,304,793)	(2,744,710)	(3,896,419)	(2,520,000)	(2,520,000)	(2,520,000)
Net Capital Expenditures - Net Impact on Cash Flow	\$ 5,610,362	8,064,816	7,764,977	7,329,561	7,836,978	7,010,052	7,010,052	7,010,052

Milton Hydro Distribution Inc.

Key Assumptions

Revenue

- Utilized the Town of Milton’s growth projections for residential development adjusted for confirmations from major builders. These figures reflect the general slowdown in the housing market, the effect of new mortgage regulations and the uncertainty regarding development fees.
 - 2019P- 1,000 residential units (budgeted 1,000)
 - 2020- 1,000 residential units
 - 2021 - 1,000 residential units
 - 2022 - 1,000 residential units
 - 2023 - 1,000 residential units

- Distribution rates for 2019P have been adjusted based on Milton Hydro’s OEB-approved rate filing effective May 1, 2019 with an Incremental Rate (IRM)/stretch factor adjustment of 1.2% (1.5% inflation offset by 0.30% stretch factor). Rates effective May 1, 2020 are assumed at 1.85% based on approved inflation factor of 2.0% less approved stretch factor of 0.15%. The 2021 to 2023 distribution rates are based on IRM of 1.50% (an inflationary increase of 1.80% offset by 0.30% stretch factor adjustment).

- Commencing in 2016, the distribution rate for Residential customers has been moving from a combination of fixed and variable rates to a 100% fixed rate by May 1, 2019 in a way that is meant to be revenue neutral. Historically, average consumption by residential customers was significantly impacted by weather, conservation, technology, etc. As Milton Hydro transitions to a 100% fixed rate, the impact on consumption due to these factors is irrelevant to Residential Distribution revenue.

- Average monthly consumption for residential customers is forecast to be 731 kWh/month for 2019 relatively similar to the 2019B of 737 kWh. Subsequent to April 30, 2019, there is no variable distribution rate for residential customers. Going forward the distribution revenue is based on 100% fixed distribution rate (May 1, 2019 - \$27.87 per month).

- 2020B Growth for GS <50 is based on 20 net new customers per year with average monthly consumption of 2,671 kWh (2019P, 18 customers, 2,671 kWh). Distribution revenue for GS<50kW class is based on consumption (kWh) and a fixed service charge.

- 2020B Growth for GS >50 – 999 is based on 12 new customers per year with average monthly demand of 145 kW (2019P - 20 new customers with average monthly demand of 145 kW). Distribution revenue for GS>50kW class is based on demand (kW) and a fixed service charge.

- For 2019P for GS>1000 kW is based on 14 existing customers with average monthly projected demand of 1,748kW per customer. For 2020 average monthly demand is forecast at 1,748 kW on the 14 existing customers. Demand is based on recent historical figures adjusted by customer. Distribution revenue for GS>50kW class is based on demand (kW) and a fixed service charge.

- No growth is assumed in the Large Use rate classification (Magna, Modatek, Roxul). Demand assumed based on historical trends of each of the three existing Large Use customers. Distribution revenue for the Large Use class is based on demand (kW) and a fixed service charge.

Other Income

Milton Energy & Generation Solutions Inc. (MEGS)

- MEGS has contracted with MHDI to provide the billing and customer service/collection services.
- Effective June 1, 2019 MHDI billed MEGS based on a fully allocated cost plus return of \$3.56 per bill. MHDI has assumed the following rates and percent increases effective June 1st in each year of the forecast.

	June 1, 2018 to May 31, 2019	June 1, 2019 to May 31, 2020	June 1, 2020 to May 31, 2021	June 1, 2021 to May 31, 2022
MHDI Bill Fee charged to MEGS	\$ 3.49	\$ 3.56	\$ 3.63	\$ 3.70
Percent Increase	2.05%	2.01%	1.97%	1.93%

Controllable Expenses

- For 2020, compensation reflects an increase of 2.2% for bargaining unit staff in line with the Collective Agreement effective January 1, 2017 expiring December 31, 2020 and an estimate for total compensation relating to management staff (inflation adjusted 2.2% plus progression, if applicable).
- In 2019, the Pay Equity Maintenance Agreement was finalized. A Pay Equity adjustment was identified for one female job class, Senior Clerk. Based on the Pay Equity Commission's Regression Line Calculator Proportional Value Method, a retroactive adjustment was calculated from January 1, 2017 to June 30, 2019 and paid out in August 2019 (\$17K).
- Staff levels are monitored regularly against other utilities of similar size. Headcount at the end of 2019 is forecast to be 52 FTE (full time equivalents). Headcount is forecast as follows:
 - 2019P - One (1) SCADA Technician (new)
 - 2020 - Two (2) additions -Director of Operations (vacant); Purchasing Manager (new)
 - 2021- One (1) headcount addition
 - 2022- One (1) headcount addition
 - 2023 - One (1) headcount addition
- Controllable expenses are assumed to increase by 2.5% for each of 2021 through to 2023.

PILs

- Milton Hydro is subject to Payments in Lieu of Tax ("PILs"); tax rates assumed as follows:
 - 2019P - 26.5%
 - 2020 - 26.5%
 - 2021- 26.5%
 - 2022 - 26.5%
 - 2023 - 26.5%

In September 2019, Milton Hydro underwent a Ministry of Finance PILS Audit for tax years 2015 & 2016. The Ministry of Finance proposed a tax adjustment of \$690,000 with interest estimated at \$147,000 (non-deductible for tax); MH is reviewing the tax adjustment with its tax consultants, KPMG. The \$690,000 tax adjustment is a timing difference, with the exception of minor permanent exclusions (less than \$10,000).

The budget assumes that MH will pay the assessment (\$837K) for 2015/2016 in 2019. No provision has been made to the budget for an assessment of 2017 & 2018 tax years; it is estimated that the tax impact of the adjustment would be \$1.2 million less CCA adjustments plus interest.

Interest

- Interest of 7.25% payable on the debt to the Town commenced on October 1, 2001. Payments are made to the Town on a quarterly basis. No principal payments of this promissory note have been made during the forecast period. The budget assumes that Milton Hydro will continue to pay the Town at a rate of 7.25%, however the OEB-approved deemed interest rate pursuant to the 2016 Cost of Service Rate filing on this demand facility is 3.85% which means that approximately \$508,000 of interest is being paid annually to the Shareholder in excess of what has been approved by the OEB to be recovered in distribution rates.
- Milton Hydro has signed financing agreements with Infrastructure Ontario and TD to fund its multi-year capital program:
 - November 12, 2009 – Infrastructure Ontario (\$15.752M)
 - March 27, 2013 – Infrastructure Ontario (\$20.044M)
 - December 15, 2015 – TD (\$12.0M)
 - December 15, 2015 – Infrastructure Ontario (\$4.0)

In October 2019, Milton Hydro borrowed \$3.0 M with an interest rate of 3.146%. MH is expecting to borrow an additional \$1.0 M in December 2019. During the forecast period, Milton Hydro is planning to borrow as follows:

July 2020 - \$4.0M – Interest rate – 4.0%
 July 2021 - \$4.0M – Interest rate – 4.0%
 July 2022 - \$4.0M – Interest rate – 4.0%
 July 2023 - \$4.0M – Interest rate – 4.0%

Capital

• **Capital expenditures – Growth Related**

- New Residential connections
 - 2019P – 1,000 new residential connections (budgeted 1,000)
 - 2020 to 2023 – 1,000 new residential connections in each year
 - cost per residential unit of \$2,520 which includes all capital costs, incremental overhead charges, external costs, secondary buses and meters.
 - Developers continue to pay for growth-related capital expenditures and Milton Hydro rebates the developer based on the number of connections to the distribution system. Refunds to the developer are made based on actual residential connections/load over the 5 year connection horizon allowed under the Distribution System Code; over the last 5 years, MHDI's contribution has been approximately 36-40% of total capital costs of completed subdivisions.
- New General Service connections
 - 2019P – 38, 2020B – 48 new underground/overhead (traffic/streetlight) services.
- Contributed Capital Policy (now captured in Deferred Revenue)
 - 100% contributed capital on new General Class services
 - New Residential services not associated with growth are funded through rates
 - New Residential services related to growth – MHDI contributes to developers of residential subdivisions based on an economic evaluation.

- **Capital expenditures**

- MHDI System Access Projects (incl Subdivisions)
 - 2019P - \$4.80 million
 - 2020- \$8.67 million
 - 2021 - 2023 \$4.40 million
- MHDI System Renewal Projects
 - 2019P - \$1.91 million
 - 2020 - \$1.44 million
 - 2021 - 2023 \$1.54 million
- MHDI System Service Projects
 - 2019P - \$2.29 million
 - 2020 - \$1.44 million
 - 2021 - 2023 \$3.35 million
- One Time & General Plant Expenditures
 - 2019P
 - Tremaine TS
 - Breakers (2) - \$1 M – final installment,
 - Feeder Egress \$1.5 M
 - Rolling Stock (2 Pick-ups, 1 Electric Vehicle) - \$128,000
 - IT Security - \$28,000
 - ArcGIS Maps - \$40,000
 - Server/Desktops - \$71,000
 - Building
 - Warehouse Floor - \$170,000,
 - Boiler - \$105,000
 - Geothermal - \$20,000
 - 2020B
 - Halton TS2 expansion - \$650,000
 - Utilismart - \$502,000
 - Server/Firewall/Desktops - \$82,500
 - Building
 - Elevator retrofit - \$130,000

Milton Hydro Distribution Inc. Variance Analysis

FINANCIAL SUMMARY

Results of Operations

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Net Distribution Revenue	\$ 16,615,170	\$ 17,651,774	\$ 18,118,944	\$ 18,172,943	\$ 18,932,283
Other Income (incl Finance Income)	\$ 2,093,477	\$ 2,607,092	\$ 2,220,667	\$ 2,322,788	\$ 2,287,011
Controllable Expenses	\$ 8,941,247	\$ 9,488,241	\$ 10,398,073	\$ 9,757,659	\$ 10,613,000
Depreciation	\$ 3,482,059	\$ 3,761,991	\$ 4,010,333	\$ 4,093,445	\$ 4,498,703
Interest	\$ 2,570,940	\$ 2,606,634	\$ 2,700,333	\$ 2,820,671	\$ 2,787,353
Removals	\$ 359,103	\$ 25,965	\$ 350,000	\$ 650,000	\$ 650,000
Net Income Before Tax & Reg Movement	\$ 1,458,806	\$ 3,318,028	\$ 2,874,079	\$ 3,173,956	\$ 2,670,238
Total PILs	\$ 888,791	\$ 1,270,930	\$ 761,600	\$ 880,056	\$ 707,600
Regulatory Movement/Taxes	\$ (2,495,167)	\$ (2,255,898)	\$ -	\$ -	\$ -
Other Comprehensive loss	\$ 101,797				
Net Income After Tax & Regulatory Movement	2,963,385	4,302,996	2,112,479	2,293,900	1,962,638
% increase (decrease)	0.4%	45.2%	-32.4%	8.6%	-14.4%

2019 Projected net earnings after tax of \$2,293,900 is estimated to be \$181,421 higher than 2019 Budget.

- higher Other Income - \$102,121
- lower Controllable Expenses - \$640,414
- higher Distribution Revenue - \$53,999

Offset by:

- higher Depreciation - \$83,112
- higher Interest Expenses - \$120,338
- higher PILS- \$118,456
- higher PP&E disposals - \$350,000

2020 Budgeted Net earnings after tax of \$1,899,940 is forecast to be \$331,262 lower than 2019 Projected.

- lower Other Income - \$35,777
- higher Controllable Expenses - \$855,341
- higher Depreciation Expense - \$405,258

Offset by:

- higher Distribution Revenue - \$759,340
- lower Interest Expense - \$ 33,318
- lower PILS - \$172,456

- **Capital Expenditures –**

As required by the OEB, distributors are now required to report investment projects and activities into one of four investment categories; System Access, System Renewal, System Service and General Plant. Milton Hydro, starting in 2015 has revised its budgeting of Capital to reflect these new categories.

- Milton Hydro is projected to spend \$9.8 million on net capital expenditures during 2019 compared to plan of \$9.6 million. 2019B envisioned 1,000 new subdivisions connections and is expected to reach this target. A number of Municipal/Region projects were delayed to

2020 and the 2 new feeder positions at Tremaine TS purchased from Hydro One will be used & useful by end of year 2019 –the initial deposit of \$1 million was paid in 2018 with the balance of \$1 million paid in 2019, along with the Feeder Egress costs of \$1.5 million incurred in 2019.

- Net Capital expenditures in 2020 are forecasted to be \$8.98 million including the Halton TS expansion \$650K deposit, a number of Municipal/Region projects (\$5.7M gross capex) and costs related to new Settlement services (\$502,000). Milton Hydro is projecting 1,000 new Subdivision connections.
- The 2019 Budget envisioned a Net Cash outflow of (\$0.9M) which included obtaining net third party financing in 2019 of \$4.0 million; it is projected for 2019 that there will be a Net Cash inflow of (\$82K) with \$4 million in third party borrowings in 2019. 2019 includes a \$837,000 payment for its MOF 2015/2016 PILS Assesment & Interest penalty. It is projected that 2020 will have a Net Cash inflow of \$917,000 with \$8.98 million in capex spending anticipated.

The results of the Corporation’s operations are outlined in the following section.

Distribution Revenue

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Net Distribution Revenue	\$ 16,615,170	\$ 17,651,774	\$ 18,118,944	\$ 18,172,943	\$ 18,932,283
% Increase (decrease)		6.2%	2.6%	0.3%	4.2%

Projected Net Distribution Revenue for 2019 is expected to be \$18.17 million, \$53,999 or .29% over plan. The variance is attributable mainly to the following factors:

- Rates - Distribution rates effective for May 1, 2019 are based on Milton Hydro’s OEB-approved rate adjustment of 1.2% (inflation adjustment of 1.50% with stretch factor 0.3%);
- Connections – it is expected that there will be approximately 1,000 new residential connections for 2019 and the budget envisioned 1,000 new residential connections.
- Commencing in 2016, the distribution rate for Residential customers has been moving from a combination of fixed and variable rates to a 100% fixed rate by May 1, 2019. Historically, average consumption by residential customers has been significantly impacted by weather, conservation, technology, etc. Effective May 2019 IRM, Milton Hydro has transitioned to a 100% fixed rate, for residential customers making the impact on consumption irrelevant to Residential Distribution revenue (May 1, 2019 - \$27.87 per month)
- Demand – Large Volume GS customers (>50KW) using demand as the determinant for variable distribution charges.

Net Distribution revenue for 2020 is expected to increase by \$759,340 or 4.1% over 2019 Projected to \$18.93 million. The increase is attributable to the following:

	# of Customers / Billing			Billing Determinants (kWh/kW)			Net Revenue		
	2019Proj	2020	Diff	2019Proj	2020	Diff	2019Proj	2020	Diff
Residential	37,480	38,480	1,000	324,832,588	333,640,365	2.7%	\$12,403,390	\$12,968,165	\$564,775
GS< 50kW	2,684	2,704	20	87,263,111	87,740,437	0.5%	2,147,192	2,185,838	\$38,646
GS>50kW	349	351	12	595,762	620,175	4.1%	2,142,133	2,270,059	\$127,926
GS>1000kW	14	14	0	293,664	293,664	0.0%	590,466	602,986	\$12,520
Large Use	3	3	0	280,619	280,619	0.0%	516,477	524,913	\$8,436
Streetlight	0	0	0	18,894	18,894	0.0%	302,391	308,895	\$6,504
Sent Light	0	0	0	384	384	0.0%	30,050	30,559	\$509
MicroFit	0	0	0	n/a	n/a	n/a	40,843	40,868	\$25
	40,530	41,562	1,032				\$18,172,943	\$18,932,283	\$759,340

▪ Distribution Volumes

- Overall electricity distributed on the system is expected to increase in 2020 due primarily to the continued growth from residential development in the Town of Milton. There are expected to be 1,000 new residential units connected in each of 2020 through 2023.
- For the Residential customers, the impact of consumption will be marginalized since we moved to a 100% fixed distribution rates effective May 1, 2019.
- In 2020, it is expected that GS<50kW will add 20 customers with an average consumption of 2,671 kWh.

- For the larger volume industrial/commercial accounts, the forecast is for 12 new GS>50 customers in each of 2020 through 2023 with average monthly demand of 145 kW.
- There are 14 existing GS>1000 customers forecast in 2020. Demand is forecast at 1,748 kW.
- The Large Use customer class is forecast to remain stable at an average demand of 7,795 kW. There are no new customers in the forecast.
- The total customer count is expected to be 40,530 by the end of 2019 (excluding streetlight and sentinel light customers), and increase to 41,578 or 1,048 customers in 2020.

Total 2019 distribution revenue composition is marginally different from the prior year with approximately 68.25% of revenue from residential customers, 29.50% from general service customers. The composition is continuing to shift to residential class as this is where the largest customer growth has been. Milton Hydro's 3 largest customers account for 2.8% of Distribution Revenue.

Other Income

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Other Income	\$ 1,951,743	\$ 2,607,092	\$ 2,080,667	\$ 2,154,069	\$ 2,147,011
Finance Income	\$ 141,734	\$ 182,493	\$ 140,000	\$ 168,719	\$ 140,000
Total Other Income	\$ 2,093,477	\$ 2,789,585	\$ 2,220,667	\$ 2,322,788	\$ 2,287,011
% increase (decrease)		33.3%	-20.4%	4.6%	-1.5%

In 2019, Other Income is projected to be \$102,121 (4.6%) higher than 2019 budget. The increase is primarily attributable to:

- Higher Pole Rental fees- \$32,000
- Higher RSVA Interest Charges - \$86,000
- Higher Occupancy Charges -\$13,000
- Higher Customer Interest Charges - \$9,000
- Higher Interest Income - \$29,000
- Interval Meter Read Charges - \$15,000
- Higher Deferred Revenue - \$28,000
- New Chisholm roof rental - \$7,200 (for 2018 and 2019)
- Higher Region/Water Revenue - \$8,000
- Higher Miscellaneous Revenue \$13,000 (mainly due to recovery of writeoffs)

Offset by:

- Lower Collection/Reconnection Charges -\$129,000 – OEB mandated no collection charges effective July 1, 2019
- Lower Disposal of Fixed Assets \$9,000

Other Income for 2020 is forecast to decrease by \$35,777 (-1.5%) over 2019P. The decrease is primarily attributable to:

- Lower Chisholm roof rental - \$ 3,600
- A decrease in Collection/Reconnection Charges - \$48,000
- A decrease in Interest Income - \$29,000
- A decrease in RSVA Interest Charges - \$77,000
- A decrease in Miscellaneous Revenue \$5,000 – no further recoveries expected

Offset by:

- Increase in Region Water Charges - \$35,000 in line with growth
- An increase in Deferred Revenue - \$82,000
- An increase in Interest Charges/Pole Attachment fees - \$10,000

Operations & Maintenance Expense

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Maintenance	\$ 2,395,180	\$ 2,643,166	\$ 2,887,532	\$ 2,735,792	\$ 2,819,738
Tree Trimming	\$ 259,508	\$ 373,691	\$ 349,315	\$ 336,793	\$ 373,573
Underground Locates	\$ 378,024	\$ 373,373	\$ 380,000	\$ 350,000	\$ 330,000
Customer Premises	\$ 302,193	\$ 382,742	\$ 378,722	\$ 425,780	\$ 399,498
Total Operating Exp	\$ 3,334,905	\$ 3,772,972	\$ 3,995,569	\$ 3,848,365	\$ 3,922,810
% Increase (decrease)		13.1%	5.9%	-3.7%	1.9%

Operations & Maintenance Expense for 2019 is projected to be \$147,204 lower than 2019 budget (-3.7%).

The decrease is attributed to the following:

- Lower Locates – \$30,000
- Lower Control Room costs – \$91,000
- Lower Tree Trimming - \$12,500
- Lower Maintenance - \$2,000
- Lower Station Service - \$12,000
- Lower Meter Maintenance – \$35,000 – more time spent on capital projects including SCADA
- Lower Engineering/Stores – \$23,000 – better allocation of management time between capital and maintenance projects & lower inventory adjustments

OFFSET BY

- Higher Customer Premises – \$47,000 – linemen attending customer properties
- Higher Bell & Cable - \$7,000

Operations & Maintenance Expense for 2020 is projected to be \$74,445 higher than 2019 Projected (1.90%). The increase (decrease) is attributed to the following:

- Engineering/Stores Administration – \$116,000 – includes the hiring of a Purchasing Manager
- Tree Trimming - \$37,000 - in line with Milton Hydro's trimming schedule
- Control Room - \$41,000
- Underground locates – (\$14,000)
- Maintenance/Substations – (\$59,000)
- Customer Premises – (\$26,000)
- Meter Maintenance – (\$14,000)

Administration Expense

Administration Expenses are comprised of the following:

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Promotion/Community Relations	\$ 14,094	\$ 10,120	\$ 23,040	\$ 11,100	\$ 17,500
Billing/Meter Reading	\$ 1,460,596	\$ 1,406,992	\$ 1,471,469	\$ 1,338,367	\$ 1,502,804
Finals/Collections	\$ 763,916	\$ 692,133	\$ 774,130	\$ 697,306	\$ 759,587
General Administration	\$ 2,806,732	\$ 2,973,834	\$ 3,434,895	\$ 3,163,979	\$ 3,712,224
Board	\$ 104,752	\$ 86,818	\$ 100,705	\$ 99,109	\$ 63,817
Building	\$ 456,252	\$ 545,373	\$ 598,265	\$ 599,433	\$ 634,259
TOTAL ADMINISTRATION	\$ 5,606,342	\$ 5,715,269	\$ 6,402,504	\$ 5,909,294	\$ 6,690,190
% increase (decrease)		1.9%	12.0%	-7.7%	13.2%

Total Administration Expense for 2019 is expected to be (\$493,210) or (-7.7%) lower than plan due to:

- **Promotions/Community Relations** – overall (\$11,940) lower than plan - Community School Safety programs performed on a rotational 3 year program.
- **Billing/Meter Reading/Finals/Collections** - overall (\$209,926) lower than plan
 - Direct Labour – IT Settlement Specialist on maternity leave (\$163,000)
 - Postage/ Customer bills (\$22,000)
 - Computer Consulting (\$6,000)
 - Training/conferences (Harris Training delayed) (\$8,000)
 - Credit Insurance (\$14,000)
 - Bad Debt increase \$20,000
 - Subcontract Meter reading/Olameter Probing (\$8,000)
- **General Administration** – overall (\$270,916) lower than plan due to:
 - Direct Labour - Director of Ops (vacant); partial reallocation of CEO's time to MEGS/MHHI & comp adjust. (\$361,000)
 - Incentive Plan/Employee Future Benefits \$6,000
 - Audit & Legal costs (\$9,000)
 - Consulting/Regulatory
 - Safety Consulting \$27,450
 - Harris/Northstar support \$4,500
 - Pay Equity consulting \$8,000
 - Privacy Audit \$32,000
 - Respect in the Workplace/Intervention \$29,000
 - Portal support/consulting \$20,000
 - Disaster Recovery (\$5,000)
 - Cyber Security - Esentire (\$20,000)
 - HR Consulting (\$34,000)
 - Customer Survey (\$9,000)
 - PL & PD Insurance \$2,000

Total Administration Expense for 2020 is budgeted to be \$780,896 higher than 2019P, representing a 13.2% increase due to:

- Direct Labour - \$540,000
 - Compensation for bargaining unit staff reflects current collective agreement (2.2%) and an estimate for total compensation relating to management staff.
 - Two additional hires in 2019 – Director of Operations (vacant) and Purchasing/Stores/Facilities Manager (new)
 - Return of IT Settlement Supervisor from maternity leave
- Consulting - \$16,000
 - Safety Consulting - \$20,000
 - Post Employment Benefit Actuarial Valuation - \$8,000
 - Labour Negotiation Assistance - \$10,000
 - Security Audit – DBG - \$25,000
 - Business Continuity - \$30,000
 - Disaster Recovery \$20,000
 - Privacy Audit – (\$32,000)
 - Respect in Workplace Investigation (\$11,000)
 - Workplace Facilitation (\$18,000)
 - Pay Equity Assistance – (\$13,000)
 - Customer Portal Support –(\$10,000)
- Software Maintenance - \$78,000 (includes Utilismart - new)
- Audit/Legal - \$15,000
- Regulatory - \$202,000 (Distributon System Plan consulting; Customer Engagement consulting)
- Postage/Billing - \$11,000
- Community/promotion programs – \$6,400
- Board Expenses - (\$36,000)
- Hand-delivered charges (\$25,000) – OEB mandated no collection fees from July 1, 2019
- Building Expenses – (\$60,000)

To-date, Milton Hydro has drawn down the entire \$20,044,000 under the Financing Agreement No. 12Mil9300712059FA with Infrastructure Ontario dated March 27, 2013.

	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Total
Principal Amount	\$3,044,000	\$3,900,000	\$7,800,000	\$4,000,000	\$1,300,000	\$20,044,000
Closing Date	01-May-13	15-Jul-14	15-Sep-14	01-Jul-15	01-Sep-15	
Maturity Date	01-May-38	15-Jul-39	15-Sep-39	01-Jul-40	01-Sep-40	
Annual Interest Rate (fixed)	3.74%	3.97%	3.04%	3.55%	3.31%	
Loan Term	25 years	25 years	25 years	25 years	25 years	
Payment Frequency	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	
Loan Type	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	

To-date, Milton Hydro has drawn down \$3,000,000 under the Credit Facility Agreement with Infrastructure Ontario dated December 8, 2015. There remains \$1,000,000 to drawn down before December 31, 2020.

	Promissory Note	Promissory Note	Total
Principal Amount	\$3,000,000	\$1,000,000	\$4,000,000
Closing Date	15-Dec-16		
Maturity Date	15-Dec-46		
Annual Interest Rate	3.74%		
Loan Term	30 years		
Payment Frequency	Semi Annual		
Loan Type	Amortizing		

TD Bank:

On December 11, 2015, Milton Hydro signed a Pari Passu Agreement with TD and IO and a new TD bank agreement. The agreement includes an Operating Line (\$4,000,000) and a Letter of Credit with the IESO of \$3,000,000. The agreement includes \$12 million in Long Term Facilities. On December 22, 2015 and July 20, 2018, Milton Hydro drew down \$4 million and on October 4, 2019, Milton Hydro drew \$3.0 million; it is expected that the remaining \$1.0 million will be drawn in December 2019.

	TD Interest Swap Loan	TD Interest Swap Loan	TD Interest Swap Loan	TD- to draw in Dec 2019	Total
Principal Amount	\$4,000,000	\$4,000,000	\$3,000,000	\$1,000,000	\$12,000,000
Closing Date	15-Dec-15	01-Jul-18	04-Oct-19		
Maturity Date	15-Dec-45	01-Jul-48	04-Oct-49		
Annual Interest Rate (fixed)	3.58%	3.90%	3.146%		
Loan Term	30 years	30 years	30 years		
Payment Frequency	Monthly	Monthly	Monthly		
Loan Type	Amortizing	Amortizing	Amortizing		

During the forecast period, Milton Hydro is planning to borrow as follows:

- July 2020 - \$4.0M – Interest rate – 4.0%
- July 2021 - \$4.0M – Interest rate – 4.0%
- July 2022 - \$4.0M – Interest rate – 4.0%
- July 2023 - \$4.0M – Interest rate – 4.0%

Depreciation

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Depreciation	\$ 3,482,069	\$ 3,761,991	\$ 4,017,126	\$ 4,093,445	\$ 4,498,703
% increase (decrease)	5.5%	8.0%	6.8%	1.9%	9.9%

MHDI is projected to spend \$10.7 million on gross capital expenditures during 2019P. Costs include the following:

- Tremaine TS
 - \$1.0M final payment (\$1.0M deposit paid in 2018 and included in WIP)
 - \$1.55M feeder egress costs
- Town/Region projects – \$570,000
- Building – resurface warehouse floor - \$170,000
- Building - Boiler - \$ 105,000
- Building – GEO Thermal - \$20,000
- System Automation - \$740,000
- Rolling Stock – 2 pickup trucks; 1 electric vehicle - \$128,000

Gross Capital Expenditures in 2020B are expected to be \$12.4 million (net \$8.98 million). Included in 2020B net expenditures are costs relating to the following:

- Town/Region projects - \$2.82 million
- System Automation - \$790,000
- Halton TS Expansion - \$650,000 deposit
- Building – retrofit elevator - \$130,000
- Software – Utilismart/Regulatory - \$500,000

Income Taxes (PILS)

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Total PILs	\$ 888,791	\$ 1,270,930	\$ 761,600	\$ 880,056	\$ 707,600
Effective tax rate		26.5%	26.5%	26.5%	26.5%

The Corporation is required to make payments in lieu of income taxes and remit such amounts to the Ministry of Finance. The amount of payments in lieu of tax will be approximately equivalent to the income and capital taxes that would have to be paid if the Company was a taxable corporation under the Income Tax Act (Canada).

Milton Hydro accounts for all significant timing differences as Deferred PILs on the balance sheet.

In September 2019, Milton Hydro underwent a Ministry of Finance PILS Audit for tax years 2015 & 2016. An assessment was proposed by the Ministry of Finance and is currently under review by Milton Hydro and its tax consultant, KPMG. Total tax adjustment is estimated at \$690,000 with non-deductible Interest estimated at \$147,000; the proposed tax adjustment of \$690,000 is a timing difference with the exception of minor exclusions (< \$10K). The tax/interest adjustment for 2015/2016 has been reflected in the 2019P. No provision has been made in the budget for 2017 and 2018 for potential tax/interest adjustment.

CAPITAL RESOURCES AND LIQUIDITY

Dividends

The budget anticipates dividend payments by MHDl to Milton Hydro Holdings Inc. (MHHI) as follows:

- 2019P - \$1.50 million
- 2020 - \$1.50 million
- 2021 - \$1.50 million
- 2022 - \$1.50 million
- 2023 - \$1.50 million

External Credit Facilities

MHDl has arranged bank credit consisting of a \$4.0 million operating line to address working capital requirements and a \$3.0 million Letter of Credit that have been posted with the Independent Electricity Supply Operator ("IESO").

Third party borrowings (net of principle payments) totaling \$42.9 million are projected by the end of 2019 to fund capital expenditures. Borrowings of \$4.0 million in each of 2020-2022 will be required during the forecast period to fund the capital program. Interest is assumed to be 4.0% during 2020 through to 2022.

Liquidity

The Cash balance at the end of 2019 is projected to be \$8.3 million and \$9.2 million at the end of 2020.

The Corporation continues to follow an aggressive capital spending plan in line with the significant residential development in the Town of Milton. The Corporation expects to spend \$10.7 million in gross capital (\$9.8 million net capex) expenditures in 2019 and \$12.3 million in 2020 (\$8.98 million net capex).

KEY PERFORMANCE INDICATORS	Explanation	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 budget	2023 budget
Current Ratio	Current Assets divided by Current Liabilities	2.08	1.55	1.57	1.67	1.54	1.58	1.59	1.61	1.64
Debt Ratio	Total Liabilities divided by Total Assets	0.68	0.88	0.67	0.69	0.69	0.70	0.71	0.71	0.72
	Long Term Debt divided by Rate Base	61.5%	58.3%	59.1%	59.4%	59.2%	60.7%	59.7%	60.3%	60.8%
	Long Term Debt divided by LTD + Equity	57.2%	55.7%	55.3%	56.8%	56.0%	56.8%	57.3%	57.7%	58.0%
Operating Surplus as a percentage of Total Revenues from Energy Sale	Net Income divided by Total Revenues from Energy Sale	2.3%	2.9%	4.2%	1.7%	2.2%	1.8%	2.0%	2.0%	2.1%
Working Capital to Net Expenses	Working Capital divided by the sum of Cost of Power and Controllable Expenses	14%	10%	10%	10%	10%	10%	10%	11%	11%
Accounting Return on Equity (Net Income/Total Equity per BIS - end)	Net Return divided by Equity	7.3%	7.1%	9.6%	4.8%	6.0%	4.3%	4.7%	4.9%	5.0%
NET EARNINGS		\$ 2,953,013	\$ 2,963,365	\$ 4,302,886	\$ 2,112,479	\$ 2,283,900	\$ 1,962,638	\$ 2,208,095	\$ 2,303,427	\$ 2,412,145
EBT		\$ 2,732,161	\$ 1,468,806	\$ 3,318,028	\$ 2,874,079	\$ 3,173,856	\$ 2,670,238	\$ 3,004,195	\$ 3,133,927	\$ 3,281,845
Equity		\$ 40,378,218	\$ 41,841,603	\$ 44,644,597	\$ 44,080,474	\$ 45,438,496	\$ 45,901,134	\$ 46,609,228	\$ 47,412,657	\$ 48,324,802
LTD + Equity		\$ 94,235,081	\$ 94,474,132	\$ 99,974,708	\$ 101,948,598	\$ 103,340,547	\$ 108,222,091	\$ 109,217,127	\$ 112,170,217	\$ 115,089,220

5.1

Rate Base Calculation

Rate of Return Analysis	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Deemed Debt ratio	60%	60%	60%	60%	60%	60%	60%	60%
Deemed CER	40%	40%	40%	40%	40%	40%	40%	40%
Rate Base (Avg. Net Fixed Assets plus WC):								
<i>Net Fixed Assets (avg begin and end)</i>	81,876,311	85,171,547	87,221,799	89,160,149	90,500,365	95,784,423	98,158,747	100,296,751
<i>Working Capital Allowance:</i>	8,385,304	8,408,137	10,134,907	8,663,065	8,915,284	9,099,624	9,284,526	9,470,004
<i>COP & Controllable Expenses</i>	111,804,059	112,108,487	135,132,094	115,507,537	118,870,451	121,328,326	123,793,684	126,266,714
<i>Less: Depr and Sent Lgt Exp incl in O&M **</i>								
<i>7.5% of COP & Controllable Expenses</i>	111,804,059	112,108,487	135,132,094	115,507,537	118,870,451	121,328,326	123,793,684	126,266,714
<i>Effective (May 1, 2016- Working Capital 7.5%)</i>	8,385,304	8,408,137	10,134,907	8,663,065	8,915,284	9,099,624	9,284,526	9,470,004
Total Deemed Rate Base	90,261,615	93,579,684	97,356,706	97,823,214	99,415,649	104,884,048	107,443,273	109,766,755

5.2

MILTON HYDRO DISTRIBUTION INC
CONSULTINGS FEES

Account #5630 8010.004.055 Administration - Consulting Services	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Globe & Mail Subscription		29			
HR Info Services	1,988	2,053	2,100	2,663	
HR downloads (Grid Smart City)	3,097		3,100		
Ducharme McMillan & Associates-property tax consultants	561				
Meanie Group - Post Retirement Benefits/HR Services		7,400	3,700	500	8,000
Momeau Shepell - Employee Assistance Program	3,520	3,520	3,520	3,520	3,600
Momeau Shepell - Trauma Support		1,741			
Springboard - Compliance Science	59,125	16,200	16,000	4,500	-
Safety - Bernie Hines / Lawrence L- LTL	19,900	48,272	50,000	95,450	120,000
N. Harris training upgrade	14,605				
N. Harris Support-Test care training, chq testing		2,780		4,410	-
RC Whilney - negotiations, grievances, etc	10,073				10,000
RC Whilney - pay equity			5,000	13,162	-
O'Connor McLeod - General Consultation	4,237		5,000	1,000	5,000
Ron Flanagan Re: OLC consultation					
Security Audit (Digital Boundaries Group/AESI)	6,500	19,460	20,000		25,000
Usher Technologies (University of Waterloo)					
Medeys Corp - Examinations SMT	4,500	8,750	9,000	9,000	9,000
Business Continuity Plan					30,000
Doctor's Notes	107				
Kennedy Jones & Assoc (Privacy Audit)				32,000	
Disaster Recovery/Documentation System Lifetime	27,000	4,500	5,000		20,000
Cyber Security - eSentire, plus add on (2019)		58,331	50,334	50,334	50,334
Access - Inspection Vortex System (Troy Sprinkler)				890	
Miscellaneous	399	56	10,000	10,000	10,000
TD Visa Annual Fee	228	50	250	250	250
Constant Contact.com - tracking of "opt-out" email blasts	3,137	2,682	3,600	4,472	4,472
Registration Interest Swap	117				
Iron- MV90 Server Prof Services	6,098				
GQ GPS					
Equipment Training - B. McKenzie	360				
Suede Productions Customer Portal video	6,785				
Benchmark learning system video	720				
Bell Mobility - Private APN Network	14,600				
Shift Concussion Management - Presentation					
Directors Global Insurance-Enterprise Risk Management	29,500				
Directwork - Address verification	431				
Trademark - the Energy Drill	725				
System Life - Network changes		600			
VG Architech - Prof services	317				
Robert Quail Consulting - Risk Workshop		3,600	10,000		
Respect in the Workplace Training - Bandhu L		3,500		11,376	
HR Investigative Services		1,743			
Empire Change ERV Program		420			
Best Doctor		2,552	3,800	2,784	2,784
Anne Marie K - HR Consulting		48,175	41,708	8,050	-
Employee Wellness Program/ Best Doctor	11,820	9,500	9,500	9,500	9,500
Workplace Intervention (Paulene Pasjeka)	750			18,000	-
McMaster Research Grid Smart City		8,333	8,333	8,333	8,333
Ergonomic Assessment - EK Gillin	500	4,250			
Silverblaze - Portals/support consulting/licenses	900	8,850	5,000	25,067	15,000
Loris Technologies - File Nexus Upgrade Consultation					
Total	232,499	263,358	266,945	315,058	331,273

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**MILTON HYDRO DISTRIBUTION INC
CONSULTINGS FEES**

Account #5315.7020.004.055 Billing - Computer Services	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Harris-Custom Mod's					
Harris - Utilization Review	10,042				
Silverblaze Consulting					
Savage Web Tool Support Fee	300	300	300		
Savage Data (Smart Meter Mixed Mode - \$0.04 per meter)	17,374	20,103	19,267	19,202	19,931
Directwork (address accuracy)				562	562
ERTH	32,538	36,028	39,631	36,893	38,736
ERTH Application Mgt		2,958	3,106		
Util-Assist	54,069	19,083	12,348	12,056	6,329
Total	114,323	78,472	74,653	68,713	65,560

114322.73

Account #5085.9080.004.055 Engineering - Consulting services	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Ruggedcom				2,000	2,000
ESA Fees	16,199	16,200	17,010	16,558	17,386
Canadian Standards	143	421	421		
Cunningham McConnel - Topographic mapping					
AESI Acumen - ESA Audit	2,733	2,822	2,983	2,859	3,002
SCADA Audit			15,000		5,000
ESA Safety Audit - Simeon Go					
IEEE Standards	92				
Siemens - change out switch		2,800	4,800		
NBM Engineering - Streetlighting/Circuit Pole Analysis	410				
New Connection Consulting - A Fischer		1,630			
GIS/Asset management		2,516	5,000		
Field audit for asset management			5,000		
Miscellaneous - Petty Cash					
Total	19,577	26,589	50,164	21,417	27,388

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5.5

Legal and Audit Fees

Account #5630.8010.004.051 Legal/Audit Fee	2017 Actual	2018 Budget	2019 Budget	2019 Projection	2020 Budget
KPMG - Audit Fees	26,400	48,800	49,800	42,300	50,800
KPMG - Misc PILS/ROE Correspondence				9,000	
KPMG - Tax Returns	3,700	4,000	4,200	4,200	4,500
KPMG - IFRS Financial Statement Process review	1,000	-			
O'Connor MacLeod- General Matters		15,000	15,000		15,000
O'Connor MacLeod- FIT Projects	545				
O'Connor MacLeod- Control Room Agreement		5,000			
Halton Hills					
McFadden Dispute Resolution			-		
Southwestern - Corp Structure of HUG			-		
Norton Rose LLP - Misc Labour Relations	566	10,000	10,000	10,000	10,000
Total	32,211	82,800	79,000	65,500	80,300

DIRECTOR FEES - 2019

Total	Directors Stipend	MHDI Board Meetings	MHHI Meetings	AGM	Compensation	Committee of the Whole	Governance	Audit	Budget	Strategy	Liason	Total	MEGS	TOTAL FEES PAID
	6,660.00	2,668.00		530.00	2,147.00	1,078.00	3,737.00	539.00	539.00	539.00	530.00	12,307.00		18,967.00
	6,660.00	2,668.00		-	-	1,078.00	3,728.00	539.00	539.00	539.00	-	9,091.00		15,751.00
	6,660.00	2,668.00		530.00	2,147.00	1,078.00	4,267.00	1,069.00	539.00	539.00	-	12,837.00		19,497.00
	9,986.00	2,668.00		530.00	2,147.00	1,078.00	4,267.00	1,069.00	539.00	539.00	530.00	13,367.00		23,355.00
	6,660.00	2,668.00		530.00	-	1,078.00	-	539.00	539.00	539.00	-	5,893.00		12,553.00
	6,660.00	2,668.00		530.00	-	1,078.00	-	1,069.00	539.00	539.00	-	6,423.00		13,083.00
	6,660.00	2,668.00		530.00	-	1,078.00	4,267.00	1,069.00	539.00	539.00	-	10,690.00		17,350.00
	6,660.00	2,668.00		530.00	-	1,078.00	-	1,069.00	539.00	539.00	-	6,423.00		13,083.00
Total 2018	56,608.00	21,344.00		3,710.00	6,441.00	8,624.00	20,266.00	6,962.00	4,312.00	4,312.00	1,060.00	77,031.00		137,403.00
Check	56,608.00	21,344.00		3,710.00	6,441.00	8,624.00	20,266.00	6,962.00	4,312.00	4,312.00	1,060.00	77,031.00		137,403.00
MHDI	56,608.00	21,344.00		-	6,441.00			-	4,312.00		1,060.00	33,157.00		89,765.00

5.16

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Net Service Revenue	119,477,982	120,272,020 1%	124,734,021 -10%	123,922,821 3%	127,189,734 3%	130,071,239 2%	132,946,894 2%	135,844,937 2%
Volume Sold	893,809,130	943,143,950 6%	969,227,973 3158.322433	964,283,730 0.022414161	983,901,508 0.020344404	1,003,519,286 2%	1,023,137,063 2%	1,042,754,841 2%
% Increase (Decrease) in Consumption	-1%	6%						
Rates per kWh	0.13367	0.12752	0.12869	0.12851	0.12927	0.12962	0.12994	0.13028
Average # of Customers	-0.044255901 37,349	-0.046010643 38,735	-0.999716024 39,893	0.007766296 40,077	0.005898082 40,893	0.3% 41,893	0.3% 42,893	0.3% 43,893
RATE OF RETURN	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
BASE Revenue/Sales Requirement Made up of: Prior Years Revenue Requirement Growth in Demand - Power Growth in Demand - Distribution Revenue Requirement using 1999 rates PBR Adjustments Year 1 (2000): Market Based Rate of Return Deduct Prior Years Profit (adjusted for financial expense) Entry Transition Costs MBRR Increment (2001,2002 &2003)								
Base Distribution Revenue - PBR Adjusted	16,615,170	17,651,774	16,118,944	16,172,943	16,932,283	19,655,269	20,374,404	21,111,928
Revenue Including PBR Adj'mt to Calculate Rates	119,477,981	120,272,021	124,734,021	123,922,821	127,189,734	130,071,239	132,946,894	135,844,937
Made up of: Cost of Power Base Distribution Revenue - PBR Adjusted	102,862,811	102,620,247	124,734,021	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
Forecast kWh's Purchased (with losses)	893,809,130	943,143,950	969,227,973	964,283,730	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841
Forecast kWh's sold (no losses)	863,490,402	903,526,260	935,520,904	930,840,168	949,748,669	968,657,570	987,566,272	1,006,474,973
GS>5000 kwh sold (no losses)	136,200,949	137,135,098	133,451,760	142,033,383	142,033,383	142,033,383	142,033,383	142,033,383
Estimated Tariff Rate (cents per kWh)	0.13367	0.12752	0.15270	0.12851	0.12927	0.12962	0.12994	0.13028
Power cost/kwh Sold	0.11508	0.10861	0.13333	0.10967	0.11003	0.11003	0.11003	0.11003
Distribution Rate/kWh Sold	0.01859	0.01872	0.01937	0.01885	0.01924	0.01959	0.01991	0.02025
% Inc/(Dec) in Overall Rate	-4.4%	-4.6%	-2.0%	-100.0%	0.005898082	0.3%	0.3%	0.3%
COST OF SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
COST OF SALES	102,862,811	102,620,247	124,734,021	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
- Volume Sold	893,809,130	943,143,950	969,227,973	964,283,730	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841
- Line Loss (%)	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Total Volume Purchased	924,316,931	975,481,162	1,002,623,854	997,305,432	1,017,658,877	1,038,012,321	1,058,365,785	1,078,719,210
Line Loss Cost per kWh/Sold	0.0034	0.0034	0.0034	-	0.0034	0.0034	-	-
Calculation of Tariff Rate (Retail COP)	0.11508	0.10861	0.12869	0.10967	0.11003	0.11003	0.11003	0.11003

5.7

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
OPERATING & MAINTENANCE, ADMIN EXPENSES (based on headcounts)								
O&M Cost per Customer	\$ 86.01	\$ 95.33	\$ 98.37	\$ 95.16	\$ 94.58	\$ 94.56	\$ 94.60	\$ 94.69
Admin Cost per Customer	\$ 147.95	\$ 144.41	\$ 157.62	\$ 146.15	\$ 161.29	\$ 162.06	\$ 162.91	\$ 163.84
Total - O&M and Admin Cost per Customer	\$ 235.95	\$ 239.74	\$ 256.99	\$ 241.33	\$ 256.87	\$ 256.62	\$ 257.51	\$ 258.53
Number of customers - end	37,893	39,577	40,619	40,433	41,478	42,523	43,568	44,613
- Operating Maintenance Expense	3,334,905	3,772,972	3,995,569	3,848,365	3,922,810	4,020,880	4,121,402	4,224,437
- General & Administration	5,583,509	5,694,836	6,377,504	5,819,317	6,625,830	6,827,115	7,033,432	7,244,907
	8,918,414	9,467,808	10,373,073	9,667,682	10,548,640	10,847,995	11,154,834	11,469,344
Total HeadCount	59.0	53.0	57.0	52.0	54.0	55.0	56.0	57.0
Check	9,921,079	9,185,966	9,565,756	9,751,842	9,957,712	10,965,099	11,273,435	11,589,479
O&M and Admin Expense / Employee	151,547	179,023	182,422	187,647	186,537	198,408	200,343	202,346
Rent for Milton Hydro Building								
Lease Payments - Hydro One								
Management Fee Payable to MHHI	22,833	20,433	25,000	89,977	64,361	64,361	64,361	64,361
Load Transfer Reconciliation								
Misc								
CDM - 2006 Monies								
Total O&M and Admin Expense	8,941,247	9,488,241	10,398,073	9,757,659	10,613,000	10,912,356	11,219,195	11,533,705
Z-FACTOR ALLOWANCE (ONE TIME)								
OTHER OPERATING REVENUES								
- Water Billing & Collecting	636,101	670,225	710,577	717,743	752,368	785,801	819,954	856,155
- Gain/(Loss)/Loss on removals of FA								
- Miscellaneous	1,020,441	1,567,893	964,612	1,002,671	878,895	889,360	900,044	910,953
- Interest Earned	141,734	182,493	140,000	168,719	140,000	140,000	140,000	140,000
- Regulatory Variance								
Deferred Revenue (new)	295,202	368,974	405,479	433,656	515,750	595,070	657,374	719,678
Total Other Revenues	2,093,478	2,789,585	2,220,667	2,322,788	2,287,011	2,410,231	2,517,372	2,626,786
INTEREST EXPENSE								
Interest Expense								
Total Amount of Interest on Existing Obligations (deposits)	45,915	68,882	50,000	68,856	68,856	68,856	68,856	68,856
Amount of New Debt Outstanding Beyond 2000:	(1,224,934)	2,697,582	2,556,337	2,571,941	2,418,905	2,286,941	2,149,663	2,006,857
Amount of Total Equity at Beginning of Year	53,857,463	52,632,529	55,311,786	55,330,111	57,902,052	60,320,957	62,607,898	64,757,561
Beginning Balance	53,857,463	52,632,529	55,311,786	55,330,111	57,902,052	60,320,957	62,607,898	64,757,561
Restructuring Debt to Issue								
New Debt to Issue	-	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

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	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
SALES								
Repayment of debt	(1,224,934)	(1,302,418)	(1,443,663)	(1,428,059)	(1,581,095)	(1,713,059)	(1,850,337)	(1,993,143)
Ending Balance	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Interest Rate - Town of Milton note	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Rate - new debt	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%
Balance of Holdco loan								
Current Portion of New Long-Term Debt								
Total New Long-Term Debt	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Interest Expense - Town Promissary Note	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730
Interest Expense - New Debt	1,442,295	1,455,002	1,552,665	1,507,148	1,620,831	1,717,428	1,808,689	1,894,397
Total Amount of Interest	2,525,025	2,537,732	2,635,397	2,589,879	2,703,561	2,800,159	2,891,420	2,977,127
	4.6%	4.6%	4.6%		4.5%	4.5%	4.5%	4.5%
Total Current Portion of Long Term Debt								
Total Non-Current Portion of Long Term Debt	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Interest Expense on Existing Debt	30,979	53,966	50,000	68,856	68,856	68,856	68,856	68,856
Interest Penalty MOF 2019 assessment				147,000				
Interest on Prudential Letter of Credit (75 bps)	14,936	14,936	14,936	14,936	14,936	14,936	14,936	14,936
Interest Expense on Long Term Debt	2,525,025	2,537,732	2,635,397	2,589,879	2,703,561	2,800,159	2,891,420	2,977,127
Total Interest Expense	2,570,940	2,606,634	2,700,333	2,820,671	2,787,353	2,883,951	2,975,212	3,060,919
ACCOUNTS RECEIVABLE								
Accounts Receivable Balance	10,344,174	10,369,910	11,960,797	11,883,010	12,196,276	12,472,585	12,748,524	13,026,227
Sales	119,477,982	120,272,020	124,734,021	123,922,821	127,189,734	130,071,239	132,948,894	135,844,937
Accounts Receivable Turnover (Days)	31.6	31.5	35.0	35.0	35.0	35.0	35.0	35.0
Average No. of Days to Collect								
Turnover Ratio								
PIAs Receivable	768,369	180,633						
Current Year Receivables	11,112,543	10,550,543	11,960,797	11,883,010	12,196,276	12,472,585	12,748,524	13,026,227
DIVIDEND PAY-OUT CALCULATION								
Total Dividend Pay-Out for the Year	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
UNBILLED REVENUE								
Unbilled Revenue Balance	10,063,177	11,172,603	10,605,873	10,505,874	10,782,836	11,027,122	11,271,082	11,516,602
Sales	119,477,982	120,272,020	124,734,021	123,922,821	127,189,734	130,071,239	132,948,894	135,844,937
Unbilled Revenue Turnover (Days)	31	34	31	31	31	31	31	31
Average No. of Days to Bill								
Turnover Ratio	0.084226205	0.092893617	0.084226203	0.084777557	0.084777557	0.084777557	0.084777557	0.084777557
Current Year Unbilled Revenue	10,063,177	11,172,603	10,505,873	10,505,874	10,782,836	11,027,122	11,271,082	11,516,602
DEVELOP CHARGES								
Opening Balance								
Ending Balance								
Change (CF)								

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SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
INVENTORY	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Inventory	1,325,720	1,368,320	1,325,720	1,368,320	1,368,320	1,368,320	1,368,320	1,368,320
(Increase)/Decrease from Prior Year Balance								
PREPAID EXPENSES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Prepaid Expenses	977,824	1,004,949	769,412	900,743	900,743	900,743	900,743	900,743
OTHER ASSETS	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Other Regulatory Assets			188,779					
IFRS			(23,369)					
Less: Allowance			-					
Pre Market Variance Acc'ts			-					
Post Market Variance Acc'ts	2,959,146	4,705,715	(939,224)					
LV Recovery	(1,905,743)	(2,411,812)	932,489					
Variance re PPE changes (acct 1576 - 4305/4310)			348,207					
Smart Meter Capital			-					
Smart Meter OM&A			-					
LRAM			140,536					
IFRS - 1575 - loss on disposal			-					
Deferred PILS (new 2012)			-					
Ice Storm 2013			-					
Smart Meter Entity Charge			(56,518)					
Special Purpose Charge/Deferred PILS			-					
Recovery of Regulatory Assets			(127,171)					
Total Regulatory Assets	1,053,403	2,293,903	463,729	2,619,433	920,750	948,393	1,018,393	1,088,393
Deferred Charges								
Future Income Taxes	2,562,266	3,577,864	2,598,657	2,887,684	2,887,664	2,887,664	2,887,664	2,887,664
Other Deferred Credits	278,117	251,269	278,117	251,269	251,269	251,269	251,269	251,269
Total Deferred Charges	2,840,383	3,829,133	2,876,774	3,138,953	3,138,933	3,138,933	3,138,933	3,138,933
Ending Balance	3,893,786	6,122,836	3,338,703	5,758,386	4,059,683	4,087,326	4,157,326	4,227,326
	3,815,669	5,871,587	3,060,586	5,507,097	3,808,414	3,836,057	3,906,057	3,976,057
Fixed Assets	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2020 Budget	2022 Budget	2023 Budget
Building, Transmission & Distribution System								
- Original Costs	190,783,621	198,457,764	204,250,366	208,149,122	216,805,660	227,836,270	236,670,322	245,504,374
Contributed Capital not recorded (1999 F/S adjustment)								
Eliminate Building (transfer to Town)								
- Beginning NBV	115,326,980	118,960,815	120,569,165	124,407,866	128,595,715	134,891,970	138,707,886	142,271,401
- Adjustment - Removals	(770,625)	(404,135)	(350,000)	(650,000)	(650,000)	(450,000)	(450,000)	(450,000)
- Additions - Class 47	8,033,825	9,874,760	9,194,170	8,899,378	11,550,610	9,284,052	9,284,052	9,284,052
- Class 1 Building	74,555	55,832		307,160	130,000			
- Building/Tremaine TS (WIP)	336,388	164,901						
- Class 8 (meters)								

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SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Total Additions	7,674,143	9,691,358	8,844,170	8,656,538	11,030,610	8,834,052	8,834,052	8,834,052
- Disposals: smart meter pre 2007								
- Disposals: smart meter: re 2007								
- Adjustment - smart meters/stranded meters								
- Closing Cost	198,457,764	208,149,122	213,094,536	216,805,660	227,836,270	236,670,322	245,504,374	254,338,426
- Beginning Accumulated Depreciation	75,456,641	79,496,849	83,681,201	83,741,258	88,209,945	92,944,300	97,962,436	103,232,974
- Eliminate Building & Fibre& Sent Lgt. Acc. Depn (transfer to Town, Affiliate)								
- Depreciation Removals								
- Depreciation Expense	4,040,207	4,244,408	4,400,123.13	4,468,688.54	4,734,355.20	5,018,136.08	5,270,637.57	5,522,939.06
- Add-Back: deprec on smart meters/stranded meters			0		0	0		
- Closing Accumulated Depreciation	79,496,849	83,741,256	88,081,324	88,209,945	92,944,300	97,962,436	103,232,974	108,755,913
- Closing NBV	118,960,915	124,407,866	125,013,212	128,595,715	134,891,970	138,707,886	142,271,401	145,582,513
Office Equipment, Tools & Rental Units								
- Original Costs	10,452,927	11,268,662	12,204,276	12,562,438	12,980,171	13,682,957	14,378,957	15,074,957
- Adjustment - allocation								
- Beginning NBV	3,867,156	3,901,430	3,936,963	4,304,129	3,716,631	3,295,711	2,822,379	2,302,646
- Transition Costs to be readjusted in 2002								
Additions - rolling stk	117,645	459,485		128,000	-			
- hardware after Mar 04	70,635	81,671		114,741	82,500			
- software	375,894	550,748		100,563	547,686			
- other	251,562	201,871		74,430	72,600			
- Additions	815,735	1,293,776	225,600	417,733	702,786	698,000	698,000	698,000
- Disposals								
- Closing Cost	11,268,662	12,562,438	12,429,876	12,980,171	13,682,957	14,378,957	15,074,957	15,770,957
- Opening Accumulated Depreciation	6,585,771	7,367,232	8,267,313	8,258,309	9,264,540	10,387,246	11,556,579	12,772,311
- Eliminate Fibre&Sent Light Acc Dep								
- Depreciation Rate								
- Depreciation Expense	781,461	891,077	993,054	1,006,231	1,122,708	1,169,332	1,215,732	1,262,132
- Add-Back								
- Adjustment - allocation								
- Closing Accumulated Depreciation	7,367,232	8,258,309	9,260,367	9,264,540	10,387,246	11,556,579	12,772,311	14,034,444
- Closing NBV	3,901,430	4,304,129	3,169,509	3,715,631	3,295,711	2,822,379	2,302,646	1,736,514
Growth Related Capex								
System Access, Renewal, Service	8,033,825	9,874,760	9,194,170	8,999,378	11,550,610	9,284,052	9,284,052	9,284,052
Growth Contributed Capital								
TOTAL GROWTH RELATED CAPEX	8,033,825	9,874,760	9,194,170	8,999,378	11,550,610	9,284,052	9,284,052	9,284,052
SPARE ITEM								
- Original Costs								
- Beginning NBV								
- Additions								
- Disposals								
- Closing Cost								
- Opening Accumulated Depreciation								
- Depreciation Rate								
- Depreciation Expense								

11.5

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Add-Back								
- Closing Accumulated Depreciation								
- Closing NBV								
Non Growth Related Capex - per Mary-Building Costs	74,555	55,832		307,160	130,000			
TS Costs								
TOTAL TRANS & DIST CAPEX	8,033,825	9,874,760	9,194,170	8,999,378	11,550,610	9,284,052	9,284,052	9,284,052
TOTAL REMOVALS	(770,625)	(404,135)	(350,000)	(650,000)	(650,000)	(450,000)	(450,000)	(450,000)
TOTAL OFFICE EQUIPMENT, TOOLS, ETC ADDITIONS	815,735	1,293,776	225,600	417,733	702,788	698,000	696,000	696,000
TOTAL LAND Building/Tremaine (WIP)								
GRAND TOTAL OF CAPEX	\$ 8,153,490	\$ 10,820,233	\$ 9,069,770	\$ 9,074,271	\$ 11,733,396	\$ 9,530,052	\$ 9,530,052	\$ 9,530,052
		\$ (184,901)						
Accumulated New Contributed Capital	\$ 59,488,554	\$ 62,049,535	\$ 63,134,002	\$ 64,380,589	\$ 67,741,257	\$ 69,666,187	\$ 71,528,812	\$ 73,329,134
Amortization Of New Contributed Capital	1,105,481	1,105,235	1,106,498	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129
Removals CC								
Accumulated Amortization Of New Contributed Capital	\$ 18,828,187	\$ 17,733,422	\$ 18,841,183	\$ 18,838,551	\$ 18,943,679	\$ 21,048,808	\$ 22,153,938	\$ 23,259,085
Net Contributed Capital	\$ 42,870,368	\$ 44,316,113	\$ 44,292,819	\$ 45,522,038	\$ 47,797,578	\$ 48,617,379	\$ 49,374,876	\$ 50,070,069
Deferred Revenue	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Opening balance	\$ 9,600,373	\$ 12,184,886	\$ 13,320,820	\$ 14,736,029	\$ 17,047,083	\$ 20,427,751	\$ 22,352,681	\$ 24,215,307
Additions	\$ 2,879,515	\$ 2,920,318	\$ 2,304,793	\$ 2,744,710	\$ 3,896,419	\$ 2,520,000	\$ 2,520,000	\$ 2,520,000
Amortization of Deferred Revenue	\$ 295,202	\$ 368,975	\$ 405,479	\$ 433,655	\$ 515,750	\$ 595,070	\$ 657,374	\$ 719,678
Ending Balance	\$ 12,184,886	\$ 14,736,029	\$ 15,820,134	\$ 17,047,083	\$ 20,427,751	\$ 22,352,681	\$ 24,215,307	\$ 26,015,628
Fixed Assets	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Leasehold Improvements (1910)								
- Original Costs	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Beginning NBV			0	0	0	0	0	0
- Additions								
- Disposals								
- Closing Cost	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Opening Accumulated Depreciation	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Depreciation Rate								
- Depreciation Expense	0	0	0	0	0	0	0	0
- Add-Back								
- Closing Accumulated Depreciation	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Closing NBV	0	0	0	0	0	0	0	0
Other Intangible Assets (1609)	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Original Costs	122,349	122,349	1,122,349	1,122,349	1,122,349	1,122,349	1,122,349	1,122,349
- Beginning NBV	111,648	108,589	1,105,530	1,05,530	1,077,472	1,018,288	955,104	893,920
- Additions			1,000,000	1,000,000				
- Disposals								
- Closing Cost	122,349	122,349	2,122,349	1,122,349	1,122,349	1,122,349	1,122,349	1,122,349
- Opening Accumulated Depreciation	10,701	13,760	16,818	16,818	44,877	106,061	167,245	228,429
- Depreciation Rate								
- Depreciation Expense	3,059	3,059	28,059	28,059	61,184	61,184	61,184	61,184

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SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Add-Back								
- Closing Accumulated Depreciation	13,760	16,818	44,877	44,877	106,061	167,245	228,429	289,612
- Closing NBV	108,589	105,530	2,077,472	1,077,472	1,016,288	956,104	893,920	832,736
Other Tangible Assets (1990)								
- Original Costs	133,004	133,004	133,004	133,004	133,004	133,004	133,004	133,004
- Beginning NBV	58,229	43,761	29,293	29,293	14,825	357	(0)	(0)
- Additions								
- Disposals								
- Closing Cost	133,004	133,004	133,004	133,004	133,004	133,004	133,004	133,004
- Opening Accumulated Depreciation	74,775	89,243	103,711	103,711	118,179	132,647	133,005	133,005
- Depreciation Rate								
- Depreciation Expense	14,468	14,468	14,468	14,468	14,468	357	-	-
- Add-Back								
- Closing Accumulated Depreciation	89,243	103,711	118,179	118,179	132,647	133,005	133,005	133,005
- Closing NBV	43,761	29,293	14,825	14,825	357	(0)	(0)	(0)
Land (1805/1905)								
- Original Costs	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
Eliminate Land (transfer to Town)								
- Beginning NBV								
- Additions								
- Disposals								
- Closing Cost	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
- Opening Accumulated Depreciation								
- Depreciation Rate								
- Depreciation Expense								
- Add-Back								
- Closing Accumulated Depreciation								
- Closing NBV	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
TOTAL COSTS	214,468,671	225,453,806	232,266,657	235,528,077	247,261,473	256,791,525	266,321,577	275,851,629
ACCUMULATED DEPRECIATION	87,344,092	92,497,104	97,881,757	98,014,551	103,947,264	110,196,273	116,743,727	123,589,983
TOTAL NBV (excl contr cap)	127,124,579	132,956,702	134,384,900	137,513,527	143,314,209	146,595,252	149,577,850	152,261,647
TOTAL CAPITAL EXPENDITURE	8,489,878	10,985,134	10,069,770	10,074,271	11,733,396	9,530,052	9,530,052	9,530,052
Total Depreciation for the Year (CF)	4,839,195	5,153,012	5,435,704	5,517,446	5,832,713	6,249,010	6,547,454	6,846,255
Less: Amort. Of Capital Contributions	1,105,481	1,105,235	1,106,498	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129
Less: Smart Meter recapture of deprec	-	-	-	-	-	-	-	-
TOTAL - per St. of Cash Flow	3,733,714	4,047,776	4,329,206	4,412,318	4,827,585	5,143,881	5,442,325	5,741,127
Amount Alloc Charged to Other Act	251,655	285,785	312,080	318,873	328,882	328,882	328,882	328,882
P&L Depreciation	3,482,059	3,761,991	4,017,126	4,093,445	4,498,703	4,814,999	5,113,443	5,412,245
ACCOUNTS PAYABLE & ACCRUED CHARGES								
Account's Payable Balance	18,198,125	17,051,867	17,969,555	17,821,855	18,255,940	18,624,645	18,994,471	18,363,365

5.13

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
SALES								
Expenses (COS & Finance Expense)	105,433,751	105,226,881	127,434,354	108,570,549	111,044,804	113,289,921	115,549,701	117,793,928
Accounts Payable Turnover (Days)	53	59	51	60	60	60	60	60
Average No. of Days to Pay	60	61	60	61	60	60	60	60
Turnover Ratio	0.164383562	0.167123288	0.164383562	0.167123288	0.164383562	0.164383562	0.164383562	0.164383562
Payments in Lieu of taxes payable								
Current Year Payables	18,198,125	17,051,867	17,969,655	17,821,855	18,253,940	18,624,645	18,994,471	19,363,385
CUSTOMER DEPOSITS								
Current Portion of Customer Deposits	313,000	313,000	313,000	313,000	313,000	313,000	313,000	313,000
Non-Current Portion of Customer Deposits	3,062,448	3,297,992	3,062,448	3,297,992	3,297,992	3,297,992	3,297,992	3,297,992
Capital Deposits	2,072,243	2,054,184	2,072,243	2,054,184	2,054,184	2,054,184	2,054,184	2,054,184
Other liabilities (Hydro One)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)
Total Customer Deposits	5,413,338	5,610,823	5,413,338	5,630,823	5,630,823	5,630,823	5,630,823	5,630,823
Increase/(Decrease) from Prior Year Balance	(382,488)							
Hydro One Liability								
VESTED SICK LEAVE & LIABILITY FOR FUTURE BENEFITS								
Liability for Future Benefits	482,392	496,556	521,755	516,418	537,075	558,558	580,900	604,136
Total	482,392	496,556	521,755	516,418	537,075	558,558	580,900	604,136
Increase/(Decrease) from Prior Year Balance	182,571	14,164	20,068	19,862	20,657	21,493	22,342	23,238
Future Benefits	138500							
Taxes on Future Benefits	-36703							
EQUITY								
Ending Balance of Contributed Capital-								
TOTAL								
Capital stock	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
Accumulated Operating Surplus, Beginning	23,369,310	24,832,694	26,459,087	27,535,688	28,429,588	28,882,226	29,600,321	30,403,749
Transfer Contributed Capital to Affiliate								
Current Year Net Income	2,963,386	4,302,965	2,112,479	2,293,900	1,962,638	2,208,095	2,303,427	2,412,145
Dividends Paid	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
New Equity								
Accumulated Operating Surplus, Ending	24,832,696	27,635,688	27,071,566	28,429,588	28,892,226	29,600,321	30,403,749	31,315,894
TOTAL EQUITY	41,841,604	44,644,596	44,080,474	45,438,496	45,901,134	46,609,229	47,412,657	48,324,802

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	E	F	BF	BJ	BK	BM	BN
1	Account #	Description	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
2							
3	5410.7010.001.001	DIRECT LABOUR					
4	5410.7010.001.002	DIRECT LABOUR					
5	0.0	TOTAL LABOUR	-	-	-	-	-
6	0.0						
7	5410.7010.002.005	MATERIAL					
8	0.0	TOTAL MATERIAL	-	-	-	-	-
9	0.0						
10	5410.7010.004.072	OUTSIDE CONTRACTS	13,405	9,670	14,640	9,900	12,000
11	0.0	TOTAL SUBCONTRACT	13,405	9,670	14,640	9,900	12,000
12	0.0						
13	5410.7010.005.087	PROMOTION COSTS	689		1,000	1,200	1,500
14	5410.7010.005.088	GIFTS & DONATIONS		450			
15	5410.7010.005.089	SUBSCRIPTIONS/ADVERTISING			3,000		2,000
16	5420.0000.000.000	COMMUNITY SAFETY PROGRAM			4,400		2,000
17	5410.7010.005.092	CONVENTIONS & MEETINGS					
18	0.0	TOTAL OTHER	689	450	8,400	1,200	5,500
19		Reallocated to O&M per FS					
20	0.0	TOTAL PROMOTION	14,094	10,120	23,040	11,100	17,600
21	0.0						
22	0.0						
23	5315.7020.001.001	DIRECT LABOUR	556,333	528,623	526,347	477,863	543,793
24	5315.7020.001.002	PLANNED OVERTIME		491			
25	0.0	TOTAL LABOUR	556,333	529,113	526,347	477,863	543,793
28	5315.7020.004.032	SOFTWARE MTCE CONTRACT	160,046	178,888	195,474	200,342	206,881
29	5315.7020.004.033	COLLECTION AGENCY COMM	2,949	4,670	5,412	5,500	5,500
30	5315.7020.004.034	COURIER SERVICE					
31	5315.7020.004.035	MAILING MACHINE MTCE	10,783	11,861	14,461	12,474	13,722
32	5315.7020.004.054	CLERICAL SERVICES					
33	5315.7020.004.055	COMPUTER/CONSULTING SERVICES	114,323	78,472	74,653	68,713	65,560
34	5315.7020.004.076	EBT HUB SERVICES	8,226	7,520	7,628	7,027	7,378
35	0.0	TOTAL SUBCONTRACT	296,327	281,412	297,627	294,056	299,041
36	0.0						
37	5315.7020.002.005	MATERIAL					
38	5315.7020.005.089	Advertising	350			1,000	1,000
39	5315.7020.005.091	MILEAGE & PARKING	105	141	2,700	92	2,700
40	5315.7020.005.092	CONFERENCES	1,169	35	2,000	500	3,000
41	5315.7020.005.093	TRAINING, SEMINARS, SCHOOL	295	1,945	4,900	4,650	7,550
42	5315.7020.005.094	FREIGHT	16				
43	5315.7020.007.019	RATE CARDS					
44	5315.7020.007.020	CUSTOMER BILLS	10,123	3,273	6,546	8,978	8,000
45	5315.7020.007.021	CUSTOMER NOTICES	5,747	1,644			
46		CUSTOMER NOTICES					
47	5315.7020.007.022	METER READING SHEETS/CARD					
48	5315.7020.007.025	MAILING ENVELOPES	10,643	12,730	12,945	12,000	12,000
49	5315.7020.007.026	RETURN ENVELOPES	715	1,654	2,073	2,626	2,000
50	5315.7020.007.027	SUNDRY FORMS & LETTERS					
51	5315.7020.007.028	SUNDRY OFFICE SUPPLIES	2,444	3,050	5,000	3,331	4,000
52	5315.7020.007.029	SUNDRY OFFICE EQUIPMENT	53		1,000		
53	5315.7020.008.000	POSTAGE	224,971	222,184	239,975	215,320	226,086
54	5315.7020.009.000	TELEPHONE	15,908	15,628	16,780	15,086	18,840
55	5335.7020.013.000	BAD DEBT EXPENSE	45,657	63,094	50,000	70,000	73,500
56	5315.7020.015.057	BLDG & CONTENT INSURANCE	4,084	3,682	5,644	4,942	4,500
57	5315.7020.900.900	TRANSITION COSTS					
58	0.0	TOTAL OTHER	322,289	329,060	349,564	338,524	363,177
59	5315.0000.000.000						
60	0.0	TOTAL BILLING	1,174,950	1,139,585	1,173,538	1,110,444	1,206,010
61	0.0						
62	5310.7030.001.000	DIRECT LABOUR					
63	5310.7030.001.001	DIRECT LABOUR	112,121	93,896	116,354	57,475	119,128
64	5310.7031.001.001	DIRECT LABOUR					
65	0.0	TOTAL LABOUR	112,121	93,896	116,354	57,475	119,128
70	5310.7030.004.030	OLAMETER - Probing	21,124	28,959	30,775	22,893	22,907
71	5310.7030.004.031	TRILLIANT - INTERVAL METER READING-					
72	5310.7030.004.032	SOFTWARE MTCE CONTRACT	135,618	134,104	140,305	135,305	141,758
73	5310.7030.004.047	Savage Data - Mixed Mode support					
74	5310.7030.004.072	Subcontract	16,783	10,448	10,497	12,250	13,000
75	0.0	TOTAL SUBCONTRACT	173,525	173,511	181,577	170,448	177,666
76	0.0						
77	5310.7030.007.027	SUNDRY FORMS & LETTERS					
78	0.0	TOTAL OTHER	-	-	-	-	-

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	E	F	BF	BJ	BK	BM	BN
Account #	Description	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	
79	5310.0000.000.000						
80	0.0	TOTAL METER READING	285,646	267,407	287,931	227,924	296,794
81	0.0						
82	0.0						
83	0.0						
84	5310.7031.001.001	DIRECT LABOUR	330				
85	5315.7031.001.001	DIRECT LABOUR	434,119	425,268	446,679	402,813	461,091
86	5315.7031.001.004	DIRECT LABOUR BURDEN					
87	5310.7031.001.002	PLANNED OVERTIME					
88	5315.7031.001.002	PLANNED OVERTIME	150				
89	0.0	TOTAL LABOUR	434,599	425,268	446,679	402,813	461,091
94	5310.7031.004.030	OLAMTER-FINAL READS					
96	5315.7031.004.054	CLERICAL SERVICES			1,000	1,000	1,000
97		EQUIFAX (SUBCONTRACT)					
98	5315.7031.004.072	EQUIFAX (SUBCONTRACT)					
99	5315.7031.004.072	OUTSIDE CONTRACTS					
100	0.0	TOTAL SUBCONTRACT	-	-	1,000	1,000	1,000
101	0.0						
102	5315.7031.005.091	MILEAGE, PARKING			800	0	800
103	5315.7031.005.092	CONFERENCES	400	35	1,000	400	1,000
104	5315.7031.005.920	TRAINING, SEMINARS, SCHOOL					
105	5315.7031.005.093	TRAINING, SEMINARS, SCHOOL	4,439	814	3,800	0	3,800
106	5310.7031.007.027	SUNDRY FORMS & LETTERS					
107	5315.7031.007.027	SUNDRY FORMS & LETTERS	184		200	200	200
108	5310.7031.007.028	SUNDRY OFFICE SUPPLIES					
109	5315.7031.007.028	SUNDRY OFFICE SUPPLIES	64				
110	0.0	TOTAL OTHER	5,087	849	5,800	600	5,800
111	0.0						
112	0.0	TOTAL FINALS	439,686	426,116	453,479	404,413	467,891
113	0.0						
114	0.0						
115	5320.7040.001.001	DIRECT LABOUR	122,095	103,320	123,067	111,008	128,193
116	5320.7040.001.002	PLANNED OVERTIME	84				
117	5320.7040.001.006	DIRECT LABOUR-EMERGENCY					
118	5320.7040.001.007	EMERGENCY-OVERTIME	181	43			
119	0.0	TOTAL LABOUR	122,361	103,363	123,067	111,008	128,193
124	5320.7040.002.005	MATERIAL		14			
125	5320.7040.004.030	OLAMETER- HAND DELIVER	53,192	50,330	50,375	47,982	22,817
126	5320.7040.004.054	CLERICAL SERVICES					
127	5320.7040.004.055	EQUIFAX (SUBCONTRACT)					
128	5320.7040.015.059	CREDIT INSURANCE	100,886	66,870	100,000	86,277	90,000
129	5320.7040.004.072	SUBCONTRACT COLLECTIONS	41,195	40,320	42,336	40,320	42,336
130	0.0	TOTAL SUBCONTRACT	195,273	157,534	192,711	174,579	155,153
131	0.0						
132	5320.7040.005.091	MILEAGE & PARKING	796	180	1,000	112	1,000
133	5320.7040.005.092	CONVENTIONS & MEETINGS		151	0	200	200
134	5320.7040.005.093	TRAINING, SEMINARS, SCHOOL		150	150	195	150
135	5320.7040.007.021	CUSTOMER NOTICES (NEW 2009)	1,211	1,287		1,300	1,500
136	5320.7040.007.026	SUNDRY OFFICE SUPPLIES	3,084	3,216	3,368	3,200	3,200
137	5320.7040.007.029	SUNDRY OFFICE EQUIPMENT	1,316			2,000	2,000
138	5320.7040.009.000	TELEPHONE	263	236	255	250	250
139	5325.7040.014.000	CASH OVER/SHORT	(72)	(102)	100	50	50
140	5320.7040.016.000	MASTERCARD/VISA DISCOUNTS					
141	0.0	TOTAL OTHER	6,597	5,119	4,873	7,307	8,350
142							
143	0.0	TOTAL COLLECTIONS	324,231	266,016	320,651	292,893	291,696
144	0.0						
145	5610.8010.005.095	Meals and Entertainment				4,000	5,000
146	5610.8010.001.001	DIRECT LABOUR	960,445	993,212	1,297,131	979,239	1,220,360
147	5610.8010.001.084	CAR ALLOWANCE	9,420	10,530	13,500	13,500	13,500
148	5610.8010.005.091	MILEAGE, PARKING, AIRFARE	2,563	369	5,600	1,697	5,100
149	5610.8010.005.092	CONVENTIONS & MEETINGS	25,711	25,653	29,500	34,133	12,700
150	5610.8010.005.093	TRAINING, SEMINAR, SCHOOL	104	8,740	14,130	21,654	6,000
151		TOTAL EXECUTIVE EXPENSES	998,342	1,038,503	1,359,861	1,054,223	1,262,660
152	5615.8010.001.001	DIRECT LABOUR	791,596	827,171	902,885	876,608	959,185
153	5625.8010.001.001	ADMIN EXPENSES TRANSFERED	(100,200)	(109,176)	(135,984)	(152,501)	(156,923)
154	5615.8010.001.002	PLANNED OVERTIME	376				
155	5615.8010.001.084	CAR ALLOWANCE					
156	5615.8010.001.085	not in use					
157	0.0	TOTAL LABOUR	691,772	717,995	766,901	724,108	802,262
158	0.0						
159	5630.8010.004.031	COMPUTER MTCE HDWR CONTRACT		4,246		4,726	4,800
160	5630.8010.004.032	SOFTWARE MTCE CONTRACT	51,553	62,491	73,527	67,149	133,779
161	5630.8010.004.034	COURIER SERVICE	851	285	525	388	400

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	E	F	BF	BJ	BK	BM	BN
1	Account #	Description	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
162	5630.8010.004.035	MAIL MACHINE	1,211	1,322	1,612	1,590	1,500
163	5630.8010.004.036	PHOTOCOPIER MTCE	6,159	5,262	5,262	6,000	6,000
164	5630.8010.004.051	AUDIT, LEGAL FEES	32,211	79,262	74,724	65,500	80,300
165	5630.8010.004.054	CLERICAL SERVICES	50				
166	5630.8010.004.055	CONSULTING FEES	232,499	263,358	266,945	315,059	331,273
167	5655.8010.004.050	CUSTOMER CONSULTING - REG					
168	5655.8010.004.051	LEGAL REGULATORY EXPENSES					
169	5655.8010.004.055	REGULATORY EXPENSES (OEB)	114,200	108,350	119,000	105,450	307,500
170	5630.8010.004.056	TRANSITION COSTS					
171	5630.8010.004.057	OPA PROGRAM CONSULTING					
172	5630.8010.004.072	SUBCONTRACT	2,292	2,423	2,657	2,500	2,500
173	5630.8010.004.081	not in use					
174	5630.0000.000.000	OUTSIDE CONTRACTS					
175	0.0	TOTAL SUBCONTRACT	441,025	527,000	544,252	568,361	868,052
176	0.0						
178	5610.8010.005.093	TRAINING, SEMINAR, SCHOOL					
179	5620.8010.002.005	MATERIAL	54	14	500	400	400
180	5620.8010.005.080	MEMBERSHIPS & DUES	90,359	86,650	91,041	89,675	93,211
181	5620.8010.005.085	COFFEE SUPPLIES	4,599	4,413	4,831	5,303	5,568
182	5620.8010.005.088	GIFTS & DONATIONS	51,941	40,757	44,700	45,350	46,400
183	5620.8010.005.091	MILEAGE, PARKING, AIRFARE	1,994	1,084	3,250	793	3,750
184	5620.8010.005.092	CONVENTIONS & MEETINGS	13,863	15,122	23,350	17,909	26,950
185	5620.8010.005.093	TRAINING, SEMINAR, SCHOOL	6,048	9,337	5,000	7,065	8,150
186	5620.8010.005.094	FREIGHT	16	8	500	50	50
187	5620.8010.007.025	ENVELOPES & LETTERHEAD	2,108	1,383	1,500	2,500	2,500
188	5620.8010.007.027	SUNDRY FORMS & LETTERS	1,159	3,101	3,072	2,000	2,000
189	5620.8010.007.028	SUNDRY OFFICE SUPPLIES	13,617	15,989	16,869	13,973	14,671
190	5620.8010.007.029	SUNDRY OFFICE EQUIPMENT	5,043	4,187	5,250	5,112	5,368
191	5620.8010.008.000	POSTAGE	5,045	6,050	7,393	3,459	3,632
192	5620.8010.009.000	TELEPHONE	53,649	55,655	58,662	53,212	58,873
193	5620.8010.012.000	BANK CHARGES	25,547	27,016	28,493	30,973	32,522
194	5635.8010.015.056	PL & PD INSURANCE	96,205	101,700	106,785	108,862	114,305
195	5635.8010.015.057	BLDG & CONTENT INSURANCE	4,465	4,000	6,238	5,407	5,677
196	5635.8010.015.058	BOND INSURANCE					
197	5635.8011.015.059	LEGAL & ACCIDENT INS	16,840	18,116	18,459	19,476	20,450
198	5635.8015.015.057	PROP INSURANCE					
199	5640.8010.015.056	not in use					
200	5645.8010.004.000	VACATION PAY ACCRUAL					
201	5645.8010.005.086	PENSION					
202	5645.8010.018.000	EMPLOYEE FUTURE BENEFITS	25,702	17,757	28,944	18,391	18,924
203	5655.8010.004.300	HYDRO ONE LOAD TRANSFER					
204	5655.8010.005.089	SUBSCRIPTIONS/ADVERTISING	799				
205	5655.8010.210.200	OEB LICENSE FEE	800	800	800	800	800
206	5655.8010.211.203	OEB COST AWARD	3,984	2,793	5,000	2,500	2,500
207	5660.8010.005.089	SUBSCRIPTIONS/ADVERTISING	1,393	3,155	2,978	2,606	2,736
208	5665.8010.003.000	PAY EQUITY ADJUSTMENT					
209	5665.8010.004.300	LOAD TRANSFER RECONCILIATION					
210	5665.8010.005.080	MEMBERSHIPS & DUES			0	0	0
211	5665.8010.016.000	INCENTIVE PLAN	227,530	250,816	275,267	291,494	245,453
212	5665.8010.017.000	LUMP SUM PAYMENT					
213	5665.8010.019.000	MANAGEMENT FEE	22,833	20,434	25,000	89,977	64,361
214	5665.8010.020.000	MOVING EXPENSES					
215	5670.8010.020.000	RENT ON 8069 LAWSON					
216	5685.8010.002.002	IMO LICENSE FEE					
217	0.0	TOTAL OTHER	675,592	690,336	763,882	817,287	779,250
223	0.0	TOTAL GENERAL ADMIN	1,808,389	1,935,331	2,075,034	2,109,758	2,449,564
224	0.0						
225	0.0						
226	5605.8011.001.001	STIPENDS	56,242	55,656	58,439	56,608	37,250
227	5605.8011.001.090	PER DIEM	39,075	27,829	29,766	33,157	13,567
228	0.0	TOTAL LABOUR	95,317	83,485	88,205	89,765	50,817
229	0.0						
230	5605.8011.005.091	MILEAGE & PARKING	1,252	2,591	2,500	874	2,500
231	5605.8011.005.092	CONVENTIONS	8,048	742	10,000	5,232	7,000
232	5605.8011.005.095	MEALS AND ENTERTAINMENT				3,238	3,500
233	5605.8011.015.059	LEGAL & ACCIDENT INS					
234	0.0	TOTAL OTHER	9,300	3,333	12,500	9,344	13,000
235	5605.0000.000.000						
236	0.0	TOTAL BOARD	104,617	86,818	100,705	99,109	63,817
237	0.0						
238	5675.8015.001.007	DIRECT LABOUR - OT		503			

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	E	F	BF	BJ	BK	BM	BN
1	Account #	Description	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
239	5675.8015.001.001	DIRECT LABOUR	67,115	69,392	148,854	61,853	145,183
240	0.0	TOTAL LABOUR	67,115	69,895	148,854	61,853	145,183
241	.0.0						
242	5675.8015.002.005	MATERIAL	28,790	26,042	26,421	35,098	35,000
243	.0.0	TOTAL MATERIAL	28,790	26,042	26,421	35,098	35,000
244	0.0						
245	5675.8015.004.038	SNOW REMOVAL	24,350	24,550	29,925	28,500	28,500
246	5675.8015.004.039	LAWN MTCE		94			
247	5675.8015.004.040	JANITORIAL SERVICE	48,975	48,234	53,463	50,442	51,956
248	5675.8015.004.043	HEATING,A/C,FIRE,SEPTIC	9,864	21,422	17,406	16,801	19,112
249	5675.8015.004.052	MUSIC CONTRACT					
250	5675.8015.004.072	O/S CONTRACT-MAINTENANCE	38,666	95,841	60,000	135,355	75,000
251	5675.8015.004.079	SECURITY SYSTEM MTCE	1,939	640			
252	5675.8015.007.028	SUNDRY OFFICE SUPPLIES		554	750	500	500
253	0.0	TOTAL SUBCONTRACT	123,794	191,335	161,543	231,599	175,068
254	.0.0						
257	5675.8015.010.000	TAXES	132,167	144,775	149,113	159,581	164,369
258	5675.8015.011.000	HYDRO, WATER, SEWAGE	104,386	113,326	112,333	111,301	114,640
259	5675.8015.020.000	ALLOCATION TO MHTI					
260		TOTAL OTHER	236,653	258,101	261,446	270,883	279,009
261	5675.0000.000.000	Maintenance General Plant					
262							
263		TOTAL BUILDING	456,252	545,373	598,265	599,433	634,259
269		GRAND TOTAL	5,606,207	5,715,269	6,402,504	5,909,294	6,690,190
282			-4.3%	1.9%	0	3.4%	13.2%
			2017 Actual to Projected	2018 Actual to Projected	2019 Budget to 2018 Projected	2019 Projected to 2019 Budget	2020 Budget to 2019 Projected
283							
284		Direct Labour	54,165	(20,551)	89,162	(206,080)	281,199
285		Direct Labour - executives/car allow	9,330	28,335	335,224	(317,892)	241,120
286		Incentive Plan	(12,678)	(8,630)	15,820	16,227	(46,041)
287		Employee Future Benefits	(1,016)	(2,207)	-	(2,500)	-
288		Rent	-	-	-	-	-
289		Management Fee	(1,000)	264	87	(372)	130
290		Total Board		(520)	13,367	(1,596)	(35,292)
291		Total Building	6,478	(3,008)	45,542	(9,301)	30,039
292		Regulatory Costs	(8,000)	(50)	10,600	(13,550)	202,050
293		General Admin Consulting Fees	(8,113)	24,726	28,313	48,114	16,213
294		General Admin Misc	16,218	(4,929)	32,458	(15,626)	87,712
295		Billing Consulting Fees	1,848	1,566	(2,253)	(5,940)	(3,153)
296		All Other Billing Costs	(9,178)	(791)	8,746	(2,032)	2,379
297		Postage	(6,363)	1,497	19,288	(24,655)	10,766
298		Olameter Probing /Hand deliver	4,621	2,004	4,819	(8,522)	(24,401)
299		Trilliant Meter Reading	-	-	-	-	-
300		EBT HUB Services	(159)	(107)	-	(601)	351
301		Insurance	-	-	-	-	-
302		Audit & Legal	(34,855)	4,538	-	(9,224)	14,800
303		Credit Insurance	-	(33,130)	-	(13,723)	3,723
304		Clerical	-	-	-	-	-
305		Software Mince + SM Metering	7,906	498	23,284	(132)	12,992
306		Mailing machine	(82)	(1,286)	1,315	(1,987)	1,247
307		Training Costs - others	(8,862)	6,154	23,554	(13,026)	24,176
308		Training/Conference - exec	(203)	7,072	21,541	8,253	(33,683)
309		Bad Debt Expense	(9,081)	21,263	8,170	20,000	3,500
310		Membership and Dues	(104)	-	-	-	-
311		Taxes	-	5	4,343	10,468	4,787
312		Total Promotion	(1,695)	(5,520)	7,400	(11,940)	6,400
313		Subcontract Collectins /Credit Agency	750	(250)	2,508	(1,928)	2,016
314		Collections Other misc	938	1,187	253	3,082	200
315		Moving Expenses	-	-	-	-	-
316		Misc Diff	-	-	-	-	-
317			863	18,130	693,543	(654,481)	803,232

Milton Hydro Distribution Inc.
Capital Expenditures

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
System Access	1,344,514		1,719,914	2,225,064	6,153,621	1,880,000	1,880,000	1,880,000
System Renewal	2,251,090		2,357,548	1,911,528	1,436,270	1,539,052	1,539,052	1,539,052
System Access	1,380,039		2,596,708	2,292,294	1,440,720	3,345,000	3,345,000	3,345,000
Subdivision Costs	3,078,183		2,520,000	2,570,492	2,520,000	2,520,000	2,520,000	2,520,000
Total Distribution Expenses	8,033,825	9,874,760	9,194,170	8,999,378	11,550,610	9,284,052	9,284,052	9,284,052
NBV Removals	(770,826)	(404,135)	(350,000)	(650,000)	(650,000)	(450,000)	(450,000)	(450,000)
Building for New Headquarters	74,555	55,832		307,160	130,000			
Building - work in progress								
WIP	336,388	164,901						
Other Capex - Replacement & Refurbishment/Trema'ne TS			1,000,000	1,000,000				
Non-Growth Related Capex	(359,683)	(183,402)	850,000	657,160	(520,000)	(450,000)	(450,000)	(450,000)
Total Transmission and Distribution Capital Expenditures	7,674,142	9,691,358	9,844,170	9,656,538	11,030,610	8,834,052	8,834,052	8,834,052
Total Other Capital Expenditures (office eqmt, tools)	815,735	1,293,776	225,600	417,733	702,786	696,000	696,000	696,000
Total Land Capital Expenditures								
GROSS CAPITAL EXPENDITURES	8,489,877	10,985,134	10,069,770	10,074,271	11,733,396	9,530,052	9,530,052	9,530,052
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers			0	0	0	0		
Capital Contributions Received - Growth-Related	(2,879,515)	(2,920,318)	(2,304,793)	(2,744,710)	(3,896,419)	(2,520,000)	(2,520,000)	(2,520,000)
Capital Contributions Received - Non-Growth Related			0	0	0	0		
Total Capital Contributions - net	(2,879,515)	(2,920,318)	(2,304,793)	(2,744,710)	(3,896,419)	(2,520,000)	(2,520,000)	(2,520,000)
Net Capital Expenditures - Net Impact on Cash Flow	5,610,362	8,064,816	7,764,977	7,329,561	7,836,978	7,010,052	7,010,052	7,010,052

Tab Ref #	Work Order Number	Job Name	2019 Total Budget			2019 Total Actuals - Aug 31/19			2019 Year-end Projection		
			Job Total (Gross)	Capital Contribution	Job Net	Job Total (Gross)	Capital Contribution	Job Net	Job Total (Gross)	Capital Contribution	Job Net
System Access											
		Capital Road Projects	\$1,666,857	\$150,795	\$1,516,122	\$951,445	\$0	\$691,445	\$667,564	\$297,889	\$569,675
New	Various	Bluff Interconnectivity for Adams Road project			\$0	\$54,171	\$0	\$54,171	\$81,260	\$0	\$81,260
New	HCP51186	Gravel Run Temp Relocation of Guy Poles			\$0	\$61,956		\$61,956	\$123,911	\$92,933	\$30,978
100	HCP50415	100' E.M. Cables for Thompson Rd	\$33,540	\$11,141	\$22,399	\$12,956		\$12,956	\$25,912	\$12,956	\$12,956
101	HCP50392	100' E.M. Main to JSP to 5th Lane	\$305,191	\$117,590	\$187,601	\$0		\$0	\$0	\$0	\$0
103	HCP50855	100' E.M. Main to Main to Street - Return	\$1,000,000	\$0	\$1,000,000	\$53,751		\$53,751	\$93,751	\$0	\$93,751
102	HCP50885	100' E.M. Main to JSP to 5th Lane	\$0	\$0	\$0	\$25,154		\$25,154	\$37,731	\$0	\$37,731
104	HCP50147	100' E.M. Main to Rd. Transition to Granite	\$128,126	\$20,000	\$108,126	\$483,455		\$483,455	\$505,000	\$192,000	\$313,000
		General Service & Metering Connections	\$1,449,311	\$634,058	\$815,253	\$811,058	\$314,558	\$1,125,616	\$1,357,500	\$571,750	\$785,750
110	Various	Expansion of Service Stages - General Service	\$713,133	\$634,058	\$79,275	\$350,000	\$262,500	\$87,500	\$25,000	\$393,750	\$131,210
111	Various	Bluff Road Relocation Project	\$401,070	\$0	\$401,070	\$130,000	\$0	\$130,000	\$195,000	\$0	\$195,000
111	Various	Condo - New Install	\$43,840	\$0	\$43,840	\$0	\$0	\$0	\$0	\$0	\$0
111	Various	Commercial Industrial Meter Install > 20	\$69,668	\$0	\$69,668	\$0	\$0	\$0	\$0	\$0	\$0
111	Various	Commercial Industrial Meter Install > 20	\$21,400	\$0	\$21,400	\$305,000	\$0	\$305,000	\$457,500	\$0	\$457,500
New	HCP50964	Sub-Base Pole Line to Adenok, Various Camps	\$0	\$0	\$0	\$52,058	\$52,058	\$0	\$180,000	\$180,000	\$0
112		New Residential Subdivisions	\$1,123,747	\$0	\$1,123,747	\$919,000	\$0	\$919,000	\$2,570,492	\$0	\$2,570,492
		Total System Access	\$4,239,914	\$784,793	\$3,455,122	\$2,447,503	\$314,558	\$2,132,945	\$4,795,556	\$871,639	\$3,923,917
System Renewal											
		Overhead Distribution Replacement Program	\$926,727	\$0	\$926,727	\$652,000	\$15,700	\$636,300	\$836,000	\$23,550	\$812,450
208	Various	Pole Replacement Program	\$386,878	\$0	\$386,878	\$352,000	\$0	\$352,000	\$386,000	\$0	\$386,000
201	HCP50919	Program to Pole replacement program	\$120,248	\$0	\$120,248	\$63,000	\$0	\$63,000	\$94,500	\$0	\$94,500
208	Various	Reconnect Old Program to Old Infrastructure	\$255,305	\$0	\$255,305	\$157,000	\$15,700	\$141,300	\$235,500	\$23,550	\$211,950
202	Various	Overhead Distribution Replacement Program	\$164,296	\$0	\$164,296	\$0	\$0	\$0	\$0	\$0	\$0
		Underground Distribution Replacement Program	\$958,079	\$0	\$958,079	\$163,477	\$0	\$263,477	\$554,584	\$0	\$554,584
202	Various	Underground Distribution Replacement Program	\$173,196	\$0	\$173,196	\$166,359	\$0	\$166,359	\$249,539	\$0	\$249,539
203	Various	Underground Replacement Program	\$159,368	\$0	\$159,368	\$0	\$0	\$0	\$159,368	\$0	\$159,368
206	Various	Reconnect Old to present and old to old	\$234,165	\$0	\$234,165	\$97,118	\$0	\$97,118	\$145,677	\$0	\$145,677
204	Various	Energy Meters - Mainline Install	\$391,350	\$0	\$391,350	\$0	\$0	\$0	\$0	\$0	\$0
204	Various	3 Phase Regulator Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Meter Replacement Program	\$472,742	\$0	\$472,742	\$347,296	\$0	\$347,296	\$520,944	\$0	\$520,944
205	Various	Transformer Meter Replacements	\$156,477	\$0	\$156,477	\$0	\$0	\$0	\$0	\$0	\$0
206	Various	Residential Meter Replacements	\$70,415	\$0	\$70,415	\$71,891	\$0	\$71,891	\$107,837	\$0	\$107,837
206	Various	Meter Main Upgrades - Call Meters	\$245,850	\$0	\$245,850	\$275,405	\$0	\$275,405	\$413,108	\$0	\$413,108
		Total System Renewal	\$2,357,548	\$0	\$2,357,548	\$1,262,773	\$15,700	\$1,247,073	\$1,911,528	\$23,550	\$1,887,978
System Service											
		System Automation Program	\$650,208	\$0	\$650,208	\$584,304	\$0	\$584,304	\$742,294	\$0	\$742,294
300		Automatic Switches - Vipers	\$221,952	\$0	\$221,952	\$328,943	\$0	\$328,943	\$328,943	\$0	\$328,943
300		Automated Fault Indicators - Overhead	\$78,976	\$0	\$78,976	\$19,422	\$0	\$19,422	\$22,422	\$0	\$22,422
300		Automated Switchgear Upgrade Program	\$237,856	\$0	\$237,856	\$1,728	\$0	\$1,728	\$1,728	\$0	\$1,728
300		Automatic Fault Indicators - Underground	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
300		WiFi Deployment for SCADA Devices	\$71,424	\$0	\$71,424	\$143,016	\$0	\$143,016	\$168,016	\$0	\$168,016
300		Survient SCADA System	\$20,000	\$0	\$20,000	\$45,598	\$0	\$45,598	\$155,593	\$0	\$155,593
300		Survient DMS	\$20,000	\$0	\$20,000	\$45,598	\$0	\$45,598	\$65,593	\$0	\$65,593
		System Expansion	\$2,946,500	\$0	\$2,946,500	\$1,030,000	\$0	\$1,030,000	\$2,550,000	\$0	\$2,550,000
301		System Expansion - Economic IS Processor P	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000	\$1,000,000	\$0	\$1,000,000
307		Base Station Transformation Station II SCADA	\$650,000	\$0	\$650,000	\$0	\$0	\$0	\$0	\$0	\$0
303		System Expansion - Fiber System Expansion	\$1,296,500	\$0	\$1,296,500	\$30,000	\$0	\$30,000	\$1,550,000	\$0	\$1,550,000
		Total System Service	\$3,596,708	\$0	\$3,596,708	\$1,614,304	\$0	\$1,614,304	\$3,292,294	\$0	\$3,292,294
General Plant											
406		Building - Warehouse Floor	\$0	\$0	\$0	\$137,160	\$0	\$137,160	\$307,160	\$0	\$307,160
401		Vehicle Replacement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$128,000	\$0	\$128,000
		Stores Equipment & Major Tools	\$55,000	\$0	\$55,000	\$74,430	\$0	\$74,430	\$74,430	\$0	\$74,430
402		Stores Equipment Unplanned	\$20,000	\$0	\$20,000	\$26,216	\$0	\$26,216	\$26,216	\$0	\$26,216
402		Major Tools Unplanned	\$35,000	\$0	\$35,000	\$48,214	\$0	\$48,214	\$48,214	\$0	\$48,214
411		Computer Hardware	\$84,600	\$0	\$84,600	\$89,241	\$0	\$89,241	\$114,741	\$0	\$114,741
412		Computer Software	\$76,000	\$0	\$76,000	\$87,472	\$0	\$87,472	\$100,563	\$0	\$100,563
		Total General Plant	\$225,600	\$0	\$225,600	\$388,303	\$0	\$388,303	\$724,893	\$0	\$724,893
		Total Capital	\$10,419,770	\$784,793	\$9,634,977	\$5,712,883	\$330,258	\$5,382,625	\$10,724,271	\$895,189	\$9,829,082

b.2

Tab Ref #	Category	Job Type	Work Order Number	Job Name	Business Case Complete?	2020 Total Budget		
						Job Total (Gross)	Capital Contribution	Job Net
System Access								
	SA-Roads			Capital Road Projects	No	\$5,741,501	\$2,919,524	\$2,821,977
100	SA-Roads	Planned	HCP50415	ROI: Britanna Rd Reconstruction, RHP to SP (deferred to 2021)	No	\$0	\$0	\$0
101	SA-Roads	Planned	HCP50392	TOM: Main St. RHP to SP (Lme)	No	\$314,004	\$66,132	\$248,091
102	SA-Roads	Planned	HCP50855	TOM: Brown St. Main to Steeles - Reconstruction	No	\$2,855,702	\$2,110,451	\$745,247
102	SA-Roads	Planned	HCP50885	ROI: Britanna Rd Reconstruction ISP to RD?	No	\$2,085,864	\$607,882	\$1,477,982
103	SA-Roads	Planned	HCP50147	ROI: Commerce Rd, Steeles to 3 Side Road	No	\$485,731	\$115,075	\$350,656
	SA-Services			General Service & Metering Connections		\$1,432,120	\$476,891	\$955,225
110	SA-Services	Planned	Various	Customer Connections - General Service & Others	No	\$533,170	\$476,891	\$56,621
111	SA-Services	Planned	Various	Meter Reverification Program	No	\$654,900	\$0	\$654,900
111	SA-Services	Planned	Various	Condo - New Install		\$0	\$0	\$0
111	SA-Services	Planned	Various	Commercial/Industrial Meter Install - 200VVA		\$133,000	\$0	\$133,000
111	SA-Services	Planned	Various	Commercial/Industrial Meter Install - 200VVA		\$110,700	\$0	\$110,700
112	SA-Subdivisions			New Residential Subdivisions	No	\$1,500,000	\$0	\$1,500,000
Total System Access						\$8,673,621	\$3,396,419	\$5,277,202
System Renewal								
	SR-Overhead			Overhead Distribution Replacement Program		\$501,649	\$0	\$501,649
200	SR-Overhead	Planned	Various	Pole Replacement Program	No	\$329,098	\$0	\$329,098
201	SR-Overhead	Planned	HCP50913	Porcelain to Poly replacement program	No	\$86,832	\$0	\$86,832
206	SR-Overhead	Reactive	Various	Reactive Oil Replacement of defective/damaged equipment		\$85,719	\$0	\$85,719
202	SR-Overhead	Planned	Various	Overhead Transformer Replacement Program		\$0	\$0	\$0
	SR-Underground			Underground Distribution Replacement Program		\$433,652	\$0	\$433,652
202	SR-Underground	Planned	Various	Padmounted Transformer Replacement Program	No	\$0	\$0	\$0
203	SR-Underground	Planned	Various	Switchgear Replacement Program	No	\$120,392	\$0	\$120,392
206	SR-Underground	Reactive	Various	Reactive UG Replacement of defective/damaged equipment		\$48,135	\$0	\$48,135
204	SR-Underground	Planned	Various	Berry Rd Conversion - Mushroom regulator		\$265,125	\$0	\$265,125
204	SR-Underground	Planned	Various	3 Phase Regulator Replacement		\$0	\$0	\$0
	SR-Meters			Meter Replacement Program	No	\$500,969	\$0	\$500,969
205	SR-Meters	Planned	Various	Proactive Meter Replacements		\$337,984	\$0	\$337,984
205	SR-Meters	Reactive	Various	Reactive Meter Replacements		\$70,415	\$0	\$70,415
205	SR-Meters	Planned	Various	Meter Room Upgrades - Cell Modems		\$92,570	\$0	\$92,570
Total System Renewal						\$1,436,270	\$0	\$1,436,270
System Service								
	SS-Automation			System Automation Program		\$780,720	\$0	\$780,720
300	SS-Automation	Planned		Automated Switches - Vipers	No	\$221,952	\$0	\$221,952
300	SS-Automation	Planned		Automated Limit Indicators - Overhead	No	\$39,488	\$0	\$39,488
300	SS-Automation	Planned		Automated Switchgear Upgrade Program	No	\$237,856	\$0	\$237,856
300	SS-Automation	Planned		Automated Fault Indicators - Underground		\$0	\$0	\$0
300	SS-Automation	Planned		Wikas Deployment for SCADA Devices		\$71,424	\$0	\$71,424
300	SS-Automation	Planned		Survivant SCADA System		\$80,000	\$0	\$80,000
300	SS-Automation	Planned		Survivant OMS		\$140,000	\$0	\$140,000
	SS-System Expansion			System Expansion		\$650,000	\$0	\$650,000
307	SS-System Expansion	Planned		Halion TS II - CCEA Downpayment	No	\$650,000	\$0	\$650,000
307	SS-System Expansion	Planned		Halion TS II - Transformers		\$0	\$0	\$0
Total System Service						\$1,440,720	\$0	\$1,440,720
General Plant								
401	GP-Building & Office Equipment	Planned		Building - Elevator		\$130,000	\$0	\$130,000
401	GP-Rolling Stock	Planned		Vehicle Replacement Program	No	\$0	\$0	\$0
402	GP-Stores & Major Tools	Planned		Stores Equipment & Major Tools		\$72,600	\$0	\$72,600
402	GP-Stores & Major Tools	Planned		Stores Equipment - 1935 Totals	No	\$27,300	\$0	\$27,300
402	GP-Stores & Major Tools	Planned		Tools, Shop and Garage Equipment - 1940 Totals	No	\$45,300	\$0	\$45,300
411	GP-Hardware	Planned		Computer Hardware	No	\$82,500	\$0	\$82,500
411	GP-Software	Planned		Computer Software	No	\$547,686	\$0	\$547,686
Total General Plant						\$832,786	\$0	\$832,786
Total Capital Capital Pro						\$12,383,396	\$3,396,419	\$8,986,978

6.3



Vehicle Replacement Schedule

Vehicle Description	Type	MH Truck #	Purch Year	KM	PTO (Hrs)	User	Fuel Type	Chasis Make	Body Make	Capital Dep. Cycle (Yrs)	Current Life (Yrs) as of Oct 2019	Current Year						
												2019	2019 Projection	2020	2021	2022	2023	2024
CVOR																		
Dbl Bucket 68' reach	HD	#43	2009	10,680	491	Crew	Diesel	GMC	Post-Plus (68')	12	10				\$425,000			
Dbl Bucket 83' reach	HD	#51	2014			Crew	Diesel	Freightliner	Post-Plus (83')	12	5							
Ret Dbl Bucket	HD	#19	1992	75075	10666	Crew	Diesel	International	Altec (55')	12	22							
Single Bucket	HD	#44	2010	15,402	466	Crew	Diesel	Freightliner	Post-Plus (42')	12	9				\$435,000			
Single Bucket	HD	#39	2004	65,379	2,779	Crew	Diesel	International	Post-Plus (42')	12	15							
Single Bucket	HD	#55	2015			Crew	Diesel	Freightliner	Post-Plus (42')	12	4							
Single Bucket	HD	#56	2016			Crew	Diesel	Freightliner	Post-Plus (42')	12	3							
Digger/Derrick	HD	#48	2013	2,000		Crew	Diesel	Freightliner	Terex C5052	12	6							
Digger/Derrick	HD	#64	2018			Crew	Diesel	Freightliner	Terex C5052	12	1							
Ret Digger/Derrick	HD	#37	2004	32,105	2111	Crew	Diesel	International	Altec (1988-D1090)	12	15							
Ret Step Van (Underground)	HD	#28	1999	77,000		Crew	Diesel	GMC	Grumman / Olson	12	20							
Ret Step Van (Underground)	HD	#34	2002	51,000		Crew	Diesel	GMC	Union City	12	17							
LH & General use Trucks for Lines																		
Pickup Truck 4x4	LD	#46	2011	0		Mike	Diesel	Dodge	Ram 2500	8	8		\$45,000					
Pickup Truck 4x4	LD	#45	2011	0		Kyle	Diesel	Dodge	Ram 2500	8	8		\$45,000					
Pickup Truck 4x4	LD	#52	2014			Paul	Gas	Dodge	Ram 1500	8	5			\$45,000				
Ret Pickup Truck 4x4	LD	#35	2003	127,000		Whse.	Gas	Chevrolet	Silverado	8	16							
Pickup Truck 4x4	LD	#49	2014			Jay	Gas	Dodge	Ram 1500	8	5			\$45,000				
Pickup Truck 4x4	LD	#50	2014			Ryan	Gas	Dodge	Ram 1500	8	5			\$45,000				
Ret Pickup Truck 4x4	LD	#38	2004	73,000		Lindsay	Gas	Ford	F-250	8	10.0							
Pickup Truck 4x4	LD	#41	2008	74,000		Randy	Gas	Dodge	Ram 2500	8	11.0							
Pickup Truck 4x4	LD	#58	2016			Lines	Gas	Dodge	Ram 1500	8	3					\$45,000		
Sprinter Van	LD	#54	2015	0		Crew	Diesel	Mercedes	BlueTech 3500	8	4				\$120,000			
Sprinter Van	LD	#57	2016			Crew	Diesel	Mercedes	BlueTech 3500	8	3					\$120,000		
Crew Cab Pickup 4wd	LD	#60	2017			Crew	Diesel	Dodge	Ram 1500	8	2							
MAC																		
Full-Size Van	LD	#32	2001	54,000		Luis	Gas	Chevrolet	Express	8	18							
Passenger Van	LD	#42	2009	16,000		Mike	Gas	Chevrolet	Montana	8	10							
Ret Pickup Truck 4x4	LD	#36	2003	77,000		Luis	Gas	Ford	F-250	8	16							
Passenger Van	LD	#53	2015			Alan	Gas	Ford	Connect XT	8	4				\$50,000			
Passenger Van	LD	#59	2016			Luis	Gas	Ford	Connect XT	8	3					\$50,000		
Passenger Van	LD	#61	2017			Mike	Gas	Ford	Connect XT	8	2							
Squrt Boom Ariel truck	LD	New1								8	2019			\$200,000				
Engineering																		
Ret SUV 4x4	LD	#40	2007	33,000		Linda	Gas	Dodge	Jeep	8	12							
Passenger Car	LD	#62	2017			IT/Eng	Gas	Ford	Escape	8	2							
Passenger Car	LD	#63	2017				Gas	Ford	Escape	8	2							
Passenger Car	LD	#47	2011	0		Jeff/Terry	Electric	Nissan	Leaf	8	8		\$38,000					
Loaders / Trailers																		
Pole Trailer			2010					Sauber		12	9					\$50,000		
H/Duty Utility Trailer			2010					Dura Trail		12	9					\$50,000		
2 Position Reel Trailer			2003					Sauber		12	16							
Bobcat/Loader			2003				Diesel	Bobcat A300		12	16							
Whse Equip.																		
Narrow Isle Stacker			1982	used	482		Electric	Raymond	3,000#	12	37							
Yard Fork Lift			2012				Diesel	Clark	15,500#	12	7							
Yearly Totals:												\$0	\$128,000	\$0	\$625,000	\$570,000	\$270,000	\$215,000

6.4

Milton Hydro Distribution Inc.
2019P 2020B Hardware & Software Budget

A/C 1920 & 1611
Hardware

	2018 Actual	2019 Budget	2019 Projection	2020 Budget
iPads for inspectors (2)		\$ 1,000		
Bar Code Readers			\$ 5,000	\$ 5,000
Protector		\$ 3,500		
Mobile Inspection		\$ 5,000		
Control Room				\$ 30,000
Desktops / PC / Laptops	\$ 8,600		\$ 19,000	\$ 16,000
FieldSense Hardware	\$ 4,500			\$ 4,500
Servers	\$ 50,000		\$ 52,383	\$ 25,000
Monitors	\$ 5,000		\$ 1,500	
Toughbook Metering	\$ 3,000		\$ 2,171	
Dell Systems			\$ 6,856	
Beyond Trust Remote Access HW				\$ 2,000
Fortinet & Fortcare 5yr (Firewall)		\$ 15,000	\$ 27,831	
	\$ 81,671.45	\$ 95,600.00	\$ 114,740.65	\$ 82,500.00
			20%	

Software

HCP50934, 50570, 50377

ESRI
HCP50249
CDW

CDW

New Capital WO

SCADA Implementation (Survalent)	\$ 244,125.53			
CYME Gateway SW	\$ 136,755.39		\$ 8,348	
StarWind VSAN	\$ 5,664.50			
Elster Solutions project services	\$ 63,565.00			
MS RDS License	\$ 1,895.40			
ArcGIS User License	\$ 12,915.00		\$ 4,745	
ARCGIS online Maps	\$ 31,715.68		\$ 40,000	
SmartVu User License Unlimited	\$ 19,712.33		\$ 12,000	
Kentico Software Website License	\$ 13,391.66			
MS Server Licenses		\$ 18,000	\$ 29,806	\$ 10,000
Starwind		\$ 6,000		
Mobile Inspection		\$ 5,000		
FieldSense		\$ 4,000		
Microsoft Win Server pro Loc			\$ 5,665	\$ 6,000
MS Security Center		\$ 43,000		
MS SQL Server for MV90				\$ 10,000
OMS Customer email				
Survalent FLSIR - Auto Switch				
Beyond Trust Remote Access SW				\$ 20,000
Utilismart - SW License 5 year				\$ 427,155
Utilismart - One Time				\$ 74,531
	\$ 550,748.19	\$ 76,000.00	\$ 100,562.70	\$ 547,686.00

\$ 632,419.64 \$ 171,600.00 \$ 215,303.35 \$ 630,186.00

6.5

ATTACHMENT 1-2

UPDATED EXCERPTS TO MILTON HYDRO BUDGET 2020 AND LRF FOR 2021-2023

Changes to the 2019 Forecast & 2020 -2023

Milton Hydro Distribution

1. 2019 Forecast

- a. The draft budget presented on November 19, 2019 included an estimate of the Ministry of Finance Notice of Reassessment for tax years 2015 & 2016. The final budget includes an estimate of the 2017/18 Tax Impact and Interest Charge as confirmed by KPMG. Changed the \$690,000 tax impact to \$933,065 and changed the interest from \$147,000 to \$176,000.

	<i>adj. proposed</i>	<i>adj. proposed</i>	<i>est. of adj</i>	<i>est. of adj</i>	
Chart 2 – Cash Outflow	2015	2016	2017	2018	Total
Tax Owing / Est. of Tax	238,840	431,225	156,000	107,000	933,065
Est. of Interest at 12/31	66,000	85,000	19,000	6,000	176,000
Total	304,840	516,225	175,000	113,000	1,109,065

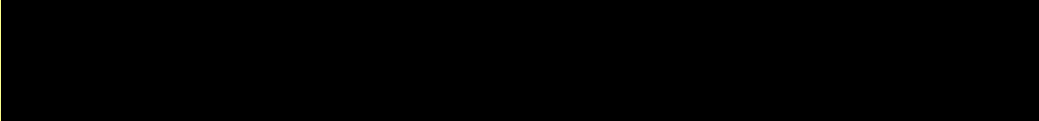
2. 2020 Budget

- a. Remove Utilismart (\$501,686) from Software Capital Budget
- b. Remove Software Maintance for Utilismart (\$60,000)
- c. Added Elster Software Maintenance (\$16,000)
- d. Remove \$650,000 for the Hydro One Halton TS2 (design/deposit) from Capital Budget
- e. Changed depreciation accordingly
- f. Administration (Board) – changed the Board structure back to the existing board structure with 8 board members; allocation of MHHI expenses to MHHI changed from 50% to 75%



- 5. Management Fee – the allocation of MHHI expenses changed to 75% for MHHI

- 6.





Milton Hydro

**Budget 2020 and LRF for
2021-2023**

Milton Hydro Distribution Inc.

Board Meeting - revised
December, 2019

Key Budget Assumptions – con't

2019 Projected and 2020 Budget

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Net Distribution Revenue	\$ 16,615,170	\$ 17,651,774	\$ 18,118,944	\$ 18,172,943	\$ 18,932,283
Other Income (Incl Finance Income)	\$ 2,093,477	\$ 2,607,092	\$ 2,220,667	\$ 2,322,788	\$ 2,287,011
Controllable Expenses	\$ 8,941,247	\$ 9,488,241	\$ 10,398,073	\$ 9,757,659	\$ 10,612,469
Depreciation	\$ 3,482,059	\$ 3,761,991	\$ 4,010,333	\$ 4,093,445	\$ 4,440,409
Interest	\$ 2,570,940	\$ 2,606,634	\$ 2,700,333	\$ 2,849,671	\$ 2,787,353
Removals	\$ 359,103	\$ 25,965	\$ 350,000	\$ 650,000	\$ 650,000
Net Income Before Tax & Reg Movement	\$ 1,458,806	\$ 3,318,028	\$ 2,874,079	\$ 3,144,956	\$ 2,729,062
Total PILs	\$ 888,791	\$ 1,270,930	\$ 761,600	\$ 880,041	\$ 723,200
Regulatory Movement/Taxes	\$ (2,495,167)	\$ (2,255,898)	\$ -	\$ -	\$ -
Other Comprehensive loss	\$ 101,797				
Net Income After Tax & Regulatory Movement	2,963,385	4,302,996	2,112,479	2,264,915	2,005,862
% increase (decrease)	0.4%	45.2%	-32.4%	7.2%	-11.4%

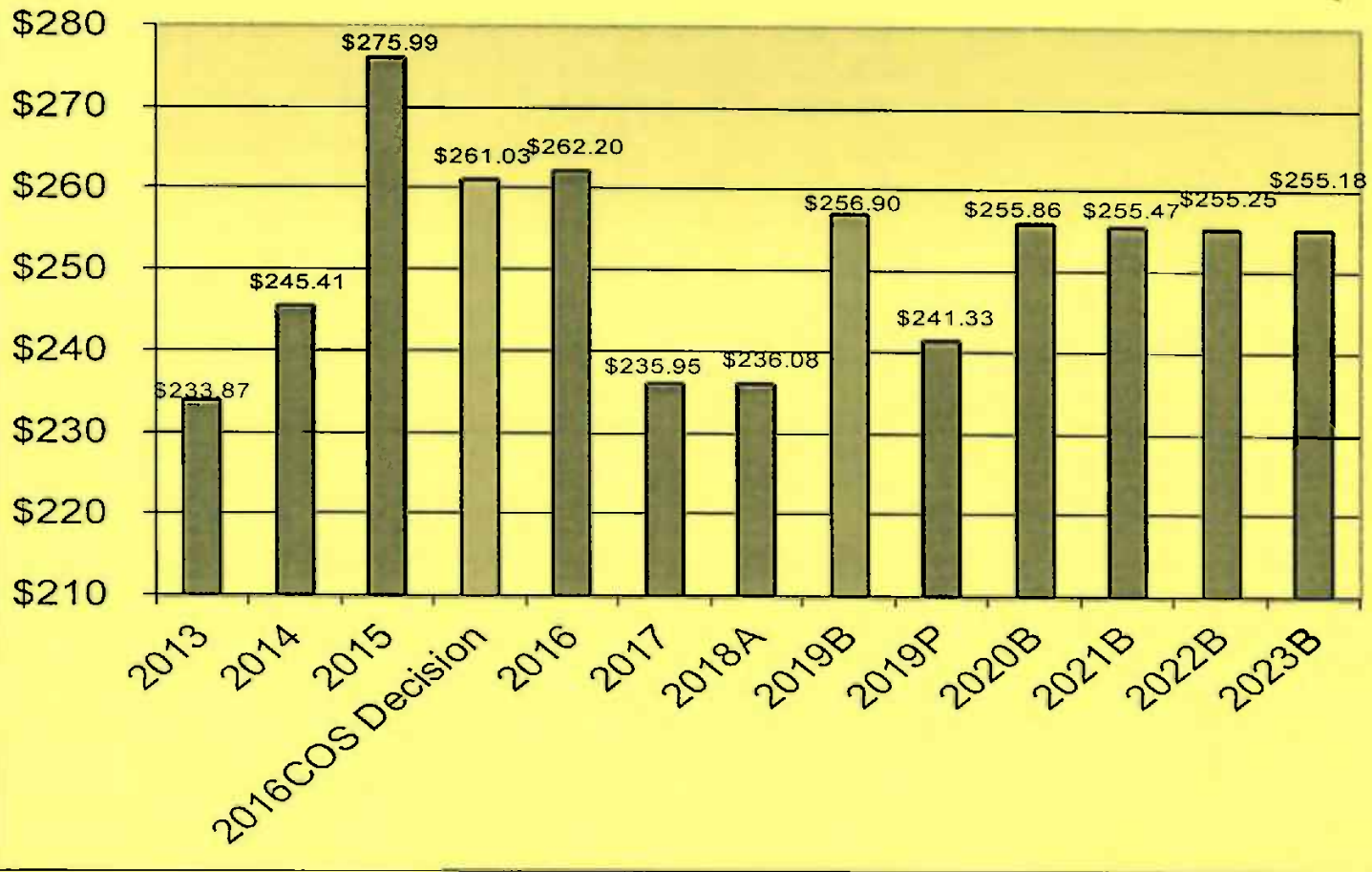
2019 Projected net earnings after tax of \$2,264,915 is estimated to be \$152,436 higher than 2019 Budget.

- higher Other Income - \$102,121
- lower Controllable Expenses - \$640,414
- higher Distribution Revenue - \$53,999
- Offset by:
 - higher Depreciation - \$83,112
 - higher Interest Expenses - \$149,338 (includes interest on Ministry of Finance Tax Assessment 2015/2016/2017/2018 - \$176K)
 - higher PILS- \$118,441 (includes Ministry of Finance Tax interest Assessment for 2015/2016/2017/2018 - \$176K)
 - higher Removals of PPE - \$300,000

2020 Budgeted net earnings after tax of \$2,005,862 is forecast to be \$259,053 lower than 2019 Projected.

- higher Controllable Expenses - \$854,810
- lower Other Income - \$35,777
- higher Depreciation Expense - \$346,964
- Offset by:
 - higher Distribution Revenue - \$759,340
 - lower Interest Expense - \$33,318
 - lower PILS - \$156,841

OM&A per Customer



Key Budget Assumptions – con't

Milton Hydro/Peer Group – OM&A per Customer:

Mid-Size GTA Medium-High & High Undergrounding (as per the OEB Year Book Statistics)	OM&A per Customer 2011	OM&A per Customer 2012	OM&A per Customer 2013	OM&A per Customer 2014	OM&A per Customer 2015	OM&A per Customer 2016	OM&A per Customer 2017	OM&A per Customer 2018	OM&A per Customer 2019P	OM&A per Customer 2020B
Kitchener-Wilmot Hydro Inc.	154.69	189.02	186.18	186.70	178.78	186.10	191.43	204.76		
Oshawa PUC Networks Inc.	191.13	210.65	207.71	204.78	211.45	220.83	227.05	234.08		
Milton Hydro Distribution Inc.	209.83	209.19	247.59	243.34	275.99	262.20	235.96	239.73	241.33	255.86
Oakville Hydro Electricity Distribution Inc.	206.45	223.21	270.31	263.02	269.33	261.30	260.79	260.55		
Waterloo North Hydro Inc.	181.61	219.96	244.24	259.20	239.32	236.41	246.42	261.50		
Whitby Hydro Electric Corporation	213.50	219.49	266.29	255.33	272.90	281.21	287.75	265.04		
Newmarket - Tay Power Distribution Ltd.	198.21	240.26	214.87	231.48	214.43	218.43	263.16	266.34		
Brantford Power Inc.	176.40	198.95	229.54	235.71	232.85	264.39	255.13	270.64		
Hallon Hills Hydro Inc.	226.82	283.20	240.83	246.30	268.77	277.18	274.60	274.40		
Cambridge and North Dumfries Hydro Inc./Energy + Inc.	208.64	266.21	274.72	274.29	270.45	270.80	273.11	274.66		
Burlington Hydro Inc.	225.24	252.49	260.13	263.52	267.05	272.59	271.52	278.61		
Guelph Hydro Electric Systems Inc.	250.75	266.86	298.11	271.51	281.14	265.81	274.87	300.73		
Peer Group Average of Distributors that Reported	203.61	231.62	245.04	244.60	248.54	251.44	255.15	260.92		
Peer Group Average Excluding Milton Hydro	208.05	235.50	250.39	249.86	254.88	257.38	260.94	266.03		

Source: OEB Yearbooks of Electricity Distributors

MHDI 2016 COS - \$261.03 OM&A per customer

MHDI Status - Budget/LRP Financial Summary

Milton Hydro Distribution Inc.
Statement of Comprehensive Income

	Actual 2016	2017 Actual	2018 Actual	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Revenue								
Sale of energy	\$ 115,176,130	\$ 100,966,319	\$ 101,379,746	\$ 105,749,878	\$ 108,257,451	\$ 110,415,970	\$ 112,574,490	\$ 114,733,009
Distribution revenue	16,327,905	16,615,170	17,651,774	18,172,943	18,932,283	19,655,269	20,374,404	21,111,928
Other	1,927,891	1,951,744	2,607,092	2,154,069	2,147,011	2,270,231	2,377,372	2,486,786
	<u>133,431,926</u>	<u>119,533,233</u>	<u>121,638,612</u>	<u>126,076,890</u>	<u>129,336,744</u>	<u>132,341,470</u>	<u>135,326,267</u>	<u>138,331,723</u>
Operating expenses								
Cost of power purchased	114,269,832	102,862,812	102,620,246	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
Operations & Maintenance	9,802,077	3,334,905	3,772,972	3,848,365	3,922,810	4,020,880	4,121,402	4,224,437
Administration		5,606,342	5,715,269	5,909,294	6,689,660	6,842,572	6,999,306	7,159,959
Operations, Maintenance & Administration	<u>9,802,077</u>	<u>8,941,247</u>	<u>9,488,241</u>	<u>9,757,659</u>	<u>10,612,469</u>	<u>10,863,452</u>	<u>11,120,708</u>	<u>11,384,397</u>
Depreciation and amortization	3,301,469	3,482,059	3,761,991	4,093,445	4,440,409	4,730,697	5,029,141	5,327,943
Removals of property, plant and equipment		359,103	25,965	650,000	650,000	450,000	450,000	450,000
	<u>127,373,378</u>	<u>115,645,221</u>	<u>115,896,443</u>	<u>120,250,982</u>	<u>123,960,330</u>	<u>126,460,119</u>	<u>129,174,339</u>	<u>131,895,349</u>
Income from operating activities	<u>6,058,548</u>	<u>3,888,012</u>	<u>5,742,169</u>	<u>5,825,908</u>	<u>5,376,415</u>	<u>5,881,352</u>	<u>6,151,927</u>	<u>6,436,375</u>
Finance income	(97,715)	(141,734)	(182,493)	(168,719)	(140,000)	(140,000)	(140,000)	(140,000)
Finance costs	2,517,804	2,570,940	2,606,634	2,849,671	2,787,353	2,883,951	2,975,212	3,060,919
Income before income taxes	<u>3,638,459</u>	<u>1,458,806</u>	<u>3,318,028</u>	<u>3,144,956</u>	<u>2,729,062</u>	<u>3,137,401</u>	<u>3,318,716</u>	<u>3,515,456</u>
Income tax expense	762,962	888,791	1,270,930	880,041	723,200	831,400	878,900	931,600
Net income before net movement in Reg balances	<u>2,875,497</u>	<u>570,015</u>	<u>2,047,098</u>	<u>2,264,915</u>	<u>2,005,862</u>	<u>2,306,001</u>	<u>2,437,816</u>	<u>2,583,856</u>
Net movement in regulatory balances	77,516	1,896,493	1,240,500					
Income Tax on Regulatory Balances		598,674	1,015,398					
Net income after net movement in Reg balances	<u>2,953,013</u>	<u>3,065,182</u>	<u>4,302,996</u>	<u>2,264,915</u>	<u>2,005,862</u>	<u>2,306,001</u>	<u>2,437,816</u>	<u>2,583,856</u>
Other comprehensive income								
Items that will not be reclassified to profit or loss:								
Remeasurements of post-employment benefits		(138,500)						
Tax on remeasurements		36,703						
Net movement in regulatory balances, net of tax								
Other comprehensive income for the year	<u>\$ (101,797)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Net Income	<u>\$ 2,953,013</u>	<u>\$ 2,963,385</u>	<u>\$ 4,302,996</u>	<u>\$ 2,264,915</u>	<u>\$ 2,005,862</u>	<u>\$ 2,306,001</u>	<u>\$ 2,437,816</u>	<u>\$ 2,583,856</u>

Key Budget Assumptions – con't

Capital Expenditures:

MHDI System Access Projects

➤ 2019P	\$4.80 million
➤ 2020B	\$8.67 million
➤ 2021B	\$4.40 million

MHDI System Renewal Projects

➤ 2019P	\$1.91 million
➤ 2020B	\$1.44 million
➤ 2021B	\$1.54 million

MHDI System Service Projects

➤ 2019P	\$ 2.29 million
➤ 2020B	\$ 790 thousand
➤ 2021B	\$ 3.35 million

Key Budget Assumptions – con't

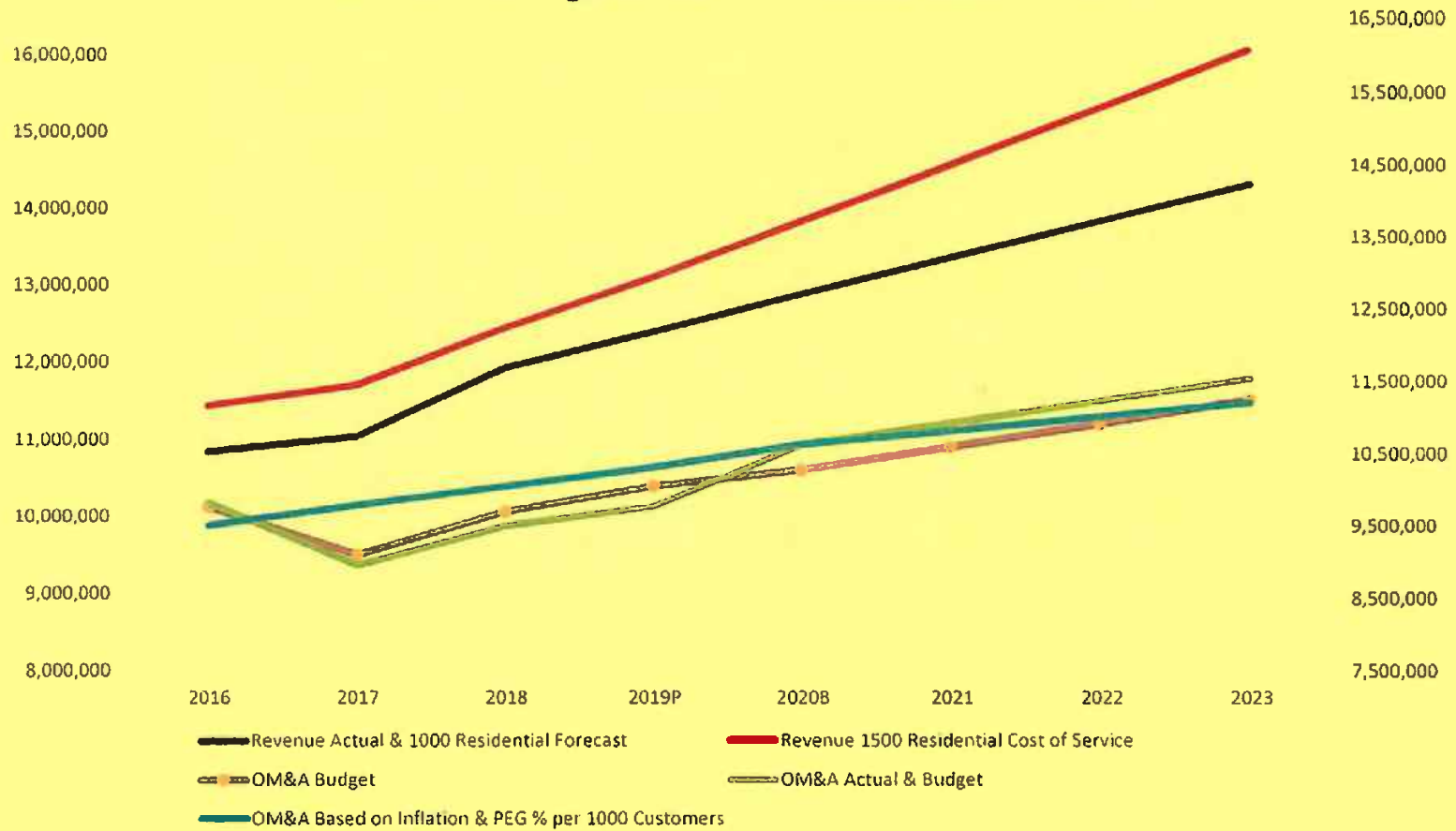
MHDI One-Time Expenditures:

- 2019 Projected
 - Tremaine TS
 - Breakers (2) - \$1,000,000 – final payment
 - Feeder Egress - \$1,500,000
 - Software
 - ArcGIS Maps \$40,000
 - Licenses - \$42,000
 - Server/Desktops - \$71,000
 - Pickup trucks/Electric Vehicle- \$128,000
 - Building – Warehouse Floor- \$170,000
 - Boiler - \$105,000
 - Geothermal \$20,000
- 2020 Budget
 - Server/Firewall/Desktops- \$82,500
 - Building – Elevator retrofit - \$130,000

Covenants

Covenant Test Ratios	Target	2015 A	2016 A	2017 A	2018 A	2019 B	2019 P	2020 B	2021 B	2022 B	2023 B
Current Ratio	Minimum 1.1:1	1.83	1.66	1.45	1.41	1.67	1.49	1.63	1.64	1.66	1.69
Debt Service Coverage Ratio	Minimum 1.15:1	2.16	1.33	1.47	1.71	1.53	1.59	1.56	1.63	1.66	1.69
Debt to Capital Ratio	not greater than 60%	57.2%	57.2%	55.7%	55.3%	56.8%	56.0%	56.8%	57.3%	57.6%	57.8%

Residential Revenue Based on Cost of Service Growth Comparison to Actual & Budget vs. OM&A Actual & Budget & Inflation + PEG % Per 1000 Customers



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Milton Hydro Distribution Inc.
Statements of Financial Position

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Assets								
Current assets								
Cash and cash equivalents	\$ 10,059,224	\$ 8,374,579	\$ 10,979,258	\$ 7,330,328	\$ 10,317,638	\$ 10,708,983	\$ 11,289,328	\$ 12,106,063
Accounts receivable	\$ 10,344,174	\$ 10,369,910	\$ 11,960,797	\$ 11,883,010	\$ 12,196,276	\$ 12,472,585	\$ 12,748,524	\$ 13,026,227
Due from related parties								
Unbilled revenue	10,063,177	11,172,503	10,505,873	10,505,874	10,782,835	11,027,122	11,271,082	11,516,602
Income taxes receivable	768,369	180,633	-	-	-	-	-	-
Materials and supplies	1,325,720	1,368,320	1,325,720	1,368,320	1,368,320	1,368,320	1,368,320	1,368,320
Prepaid expenses	977,824	1,004,949	769,412	900,743	900,743	900,743	900,743	900,743
Total current assets	33,538,488	32,470,894	35,541,060	31,988,275	35,565,812	36,477,753	37,577,998	38,917,955
Non-current assets								
Property, plant and equipment	95,512,331	102,204,990	104,985,649	108,129,994	113,942,412	118,412,886	122,584,915	126,458,142
Intangible assets	926,566	1,171,266	926,566	908,214	908,214	908,214	908,214	908,214
Total non-current assets	96,438,897	103,376,256	105,912,215	109,038,208	114,850,626	119,321,100	123,493,129	127,366,356
Total assets	129,977,385	135,847,150	141,453,275	141,026,483	150,416,438	155,798,853	161,071,126	166,284,311
Regulatory balances	5,521,412	8,283,379	3,060,586	6,197,097	3,565,319	3,592,962	3,662,962	3,732,962
Total assets and regulatory balances	\$ 135,498,797	\$ 144,130,529	\$ 144,513,861	\$ 147,223,580	\$ 153,981,757	\$ 159,391,815	\$ 164,734,089	\$ 170,017,274
Liabilities								
Current liabilities								
Accounts payable and accrued Liabilities	\$ 18,198,125	\$ 17,051,667	\$ 17,969,654	\$ 17,821,855	\$ 18,253,940	\$ 18,624,645	\$ 18,994,471	\$ 19,363,385
Long-term debt due within one year								
Customer deposits	3,375,448	3,610,992	3,375,448	3,610,992	3,610,992	3,610,992	3,610,992	3,610,992
Total current liabilities	21,573,573	20,662,659	21,345,102	21,432,847	21,864,932	22,235,637	22,605,463	22,974,377
Non-current liabilities								
Long-term debt	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Post-employment benefits	482,392	496,556	521,755	516,418	537,075	558,558	580,900	604,136
Deferred revenue	12,184,686	14,736,029	15,820,134	17,047,083	20,427,751	22,352,681	24,215,307	26,015,628
Other liabilities	2,037,890	2,019,831	2,037,890	2,019,831	2,019,831	2,019,831	2,019,831	2,019,831
Deferred tax liabilities	2,840,383	3,828,933	2,840,383	2,895,838	2,895,838	2,895,838	2,895,838	2,895,838
Total non-current liabilities	70,177,880	76,411,460	79,088,286	80,381,222	86,201,453	90,434,806	94,469,436	98,299,851
Total liabilities	91,751,453	97,074,119	100,433,388	101,814,069	108,066,385	112,670,442	117,074,900	121,274,229
Equity								
Share capital	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
Contributed surplus								
Retained earnings	21,869,310	23,332,694	24,959,087	26,135,688	26,900,603	27,406,465	28,212,466	29,150,282
Distribution Income - current year	2,963,385	4,302,996	2,112,479	2,264,915	2,005,862	2,306,001	2,437,816	2,583,856
Accumulated other comprehensive income/(loss)								
Total equity	41,841,603	44,644,597	44,080,474	45,409,511	45,915,373	46,721,374	47,659,190	48,743,046
Total liabilities and equity	133,593,056	141,718,717	144,513,862	147,223,580	153,981,758	159,391,816	164,734,089	170,017,274
Regulatory balances	1,905,743	2,411,812						
Total liabilities, equity and regulatory balances	\$ 135,498,799	\$ 144,130,529	\$ 144,513,862	\$ 147,223,580	\$ 153,981,758	\$ 159,391,816	\$ 164,734,089	\$ 170,017,274

**Milton Hydro Distribution Inc.
Statement of Comprehensive Income**

	Actual 2016	2017 Actual	2018 Actual	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Revenue								
Sale of energy	\$ 115,178,130	\$ 100,966,319	\$ 101,379,746	\$ 105,749,878	\$ 108,257,451	\$ 110,415,970	\$ 112,574,490	\$ 114,733,009
Distribution revenue	16,327,905	16,615,170	17,651,774	18,172,943	18,932,283	19,655,269	20,374,404	21,111,928
Other	1,927,891	1,951,744	2,607,092	2,154,069	2,147,011	2,270,231	2,377,372	2,486,786
	133,431,926	119,533,233	121,638,612	126,076,890	129,336,744	132,341,470	135,326,267	138,331,723
Operating expenses								
Cost of power purchased	114,269,832	102,862,812	102,620,246	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
Operations & Maintenance	9,802,077	3,334,905	3,772,972	3,848,365	3,922,810	4,020,880	4,121,402	4,224,437
Administration		5,606,342	5,715,269	5,909,294	6,689,680	6,842,572	6,999,306	7,159,959
Operations, Maintenance & Administration	9,802,077	8,941,247	9,488,241	9,757,659	10,612,489	10,863,452	11,120,708	11,384,397
Depreciation and amortization	3,301,489	3,482,059	3,761,991	4,093,445	4,440,409	4,730,697	5,029,141	5,327,843
Removals of property, plant and equipment		359,103	25,965	650,000	650,000	450,000	450,000	450,000
	127,373,378	115,645,221	115,896,443	120,250,982	123,960,330	126,460,119	129,174,339	131,895,349
Income from operating activities	6,058,548	3,888,012	5,742,169	5,825,908	5,376,415	5,881,352	6,151,927	6,436,375
Finance income	(97,715)	(141,734)	(182,493)	(168,719)	(140,000)	(140,000)	(140,000)	(140,000)
Finance costs	2,517,804	2,570,940	2,606,634	2,849,671	2,787,353	2,883,951	2,975,212	3,060,919
Income before income taxes	3,638,459	1,458,806	3,318,028	3,144,956	2,729,062	3,137,401	3,316,716	3,515,456
Income tax expense	762,962	888,791	1,270,930	880,041	723,200	831,400	878,900	931,600
Net income before net movement in Reg balances	2,875,497	570,015	2,047,098	2,264,915	2,005,862	2,306,001	2,437,816	2,583,856
Net movement in regulatory balances	77,516	1,896,493	1,240,500	-	-	-	-	-
Income Tax on Regulatory Balances		598,674	1,015,398					
Net income after net movement in Reg balances	2,953,013	3,065,182	4,302,996	2,264,915	2,005,862	2,306,001	2,437,816	2,583,856
Other comprehensive income								
Items that will not be reclassified to profit or loss:								
Remeasurements of post-employment benefits		(138,500)						
Tax on remeasurements		36,703						
Net movement in regulatory balances, net of tax								
Other comprehensive income for the year	\$ (101,797)							
Total Net Income	\$ 2,953,013	\$ 2,963,385	\$ 4,302,996	\$ 2,264,915	\$ 2,005,862	\$ 2,306,001	\$ 2,437,816	\$ 2,583,856

**Milton Hydro Distribution Inc.
Statement of Cash Flows**

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Operating activities								
Net Income and net movement in regulatory balances	3,065,182	4,302,996	2,112,479	2,264,915	2,005,862	2,306,001	2,437,816	2,583,856
Adjustments for:								
Depreciation and amortization	3,733,714	4,047,776	4,329,206	4,412,318	4,769,291	5,059,579	5,358,023	5,656,825
Amortization of deferred revenue	(295,202)	(368,975)	(405,479)	(433,656)	(515,750)	(595,070)	(657,374)	(719,678)
Post-employment benefits	24,071	14,164	20,068	19,862	20,657	21,483	22,342	23,236
Loss/(Gain) on Removals of property, plant and equip	359,103	25,965	350,000	650,000	650,000	450,000	450,000	450,000
Contributions received from customers	2,370,326	2,902,259	2,304,793	2,744,710	3,896,419	2,520,000	2,520,000	2,520,000
Net finance costs	2,429,206	2,424,141	2,560,333	2,680,952	2,647,353	2,743,951	2,835,212	2,920,919
Income tax expense	888,791	1,270,930	-	-	-	-	-	-
Change in non-cash operating working capital:								
Accounts receivable	(353,116)	324,264	(254,175)	(1,513,100)	(313,266)	(276,309)	(275,939)	(277,703)
Due to/from related parties	-	-	-	-	-	-	-	-
Unbilled revenue	2,607,226	(1,109,326)	(223,256)	666,629	(276,961)	(244,287)	(243,961)	(245,519)
Materials and supplies	227,548	(42,600)	-	-	-	-	-	-
Prepaid expenses	(609,139)	(27,125)	104,206	104,206	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Accounts payable and accrued liabilities	1,422,438	(1,146,458)	357,030	770,188	432,085	370,704	369,827	368,914
Customer deposits	126,699	235,544	-	-	-	-	-	-
Other liabilities	1,101,763	-	-	(933,095)	-	-	-	-
	17,098,610	12,853,556	11,255,204	11,433,928	13,315,689	12,356,051	12,815,946	13,280,849
Regulatory balances	(3,596,930)	(2,255,898)	(211,186)	(325,530)	2,631,778	(27,644)	(70,000)	(70,000)
Income tax paid	(274,452)	(301,386)	-	-	-	-	-	-
Income tax received	403,572	606,742	-	180,633	-	-	-	-
Interest paid	(2,570,043)	(2,606,634)	(2,700,333)	(2,849,671)	(2,787,353)	(2,883,951)	(2,975,212)	(3,060,919)
Interest received	141,734	182,493	140,000	168,719	140,000	140,000	140,000	140,000
Net cash from operating activities	11,202,491	8,478,873	8,483,686	8,608,080	13,300,114	9,584,457	9,910,734	10,289,930
Investing activities								
Purchase of property, plant and equipment	(8,848,614)	(11,011,099)	(10,419,770)	(10,724,271)	(11,231,710)	(9,980,052)	(9,980,052)	(9,980,052)
Proceeds on disposal of property, plant and equipment	-	-	-	-	-	-	-	-
Purchase of Intangibles	-	-	-	-	-	-	-	-
Loan to associated company	(350,000)	(350,000)	-	-	-	-	-	-
Net cash used by investing activities	(9,198,614)	(11,361,099)	(10,419,770)	(10,724,271)	(11,231,710)	(9,980,052)	(9,980,052)	(9,980,052)
Financing activities								
Dividends paid	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Proceeds from long-term debt	(1,224,934)	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Repayment of long-term debt	-	(1,302,418)	(1,443,663)	(1,428,059)	(1,581,095)	(1,713,059)	(1,850,337)	(1,993,143)
Net cash from financing activities	(2,724,934)	1,197,582	1,056,337	1,071,941	918,905	786,941	649,663	506,857
Change in cash and cash equivalents	(721,057)	(1,684,645)	(879,747)	(1,044,251)	2,987,310	391,345	580,345	816,735
Cash and cash equivalents, beginning of year	10,780,281	10,059,224	11,859,005	8,374,579	7,330,328	10,317,638	10,708,983	11,289,328
Cash and cash equivalents, end of year	10,059,224	8,374,579	10,979,258	7,330,328	10,317,638	10,708,983	11,289,328	12,106,063

2.3

Milton Hydro Distribution Inc.
Administration Summary

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	\$ Variance 2019P - 2019B	\$ Variance 2020B - 2019P
Community Relations	\$ 21,420	\$ 8,680	\$ 14,094	\$ 10,120	\$ 23,040	\$ 11,100	\$ 17,500	\$ (11,940)	\$ 6,400
Meter Reading	\$ 302,929	\$ 210,720	\$ 285,646	\$ 267,407	\$ 297,931	\$ 227,924	\$ 312,833	\$ (70,008)	\$ 84,910
Billing	\$ 1,136,031	\$ 1,086,549	\$ 1,174,950	\$ 1,139,585	\$ 1,173,538	\$ 1,110,444	\$ 1,203,864	\$ (63,094)	\$ 93,420
Finans	\$ 368,281	\$ 414,685	\$ 439,686	\$ 426,116	\$ 453,479	\$ 404,413	\$ 467,891	\$ (49,066)	\$ 63,478
Collections	\$ 340,142	\$ 325,561	\$ 324,231	\$ 266,016	\$ 320,651	\$ 292,893	\$ 291,696	\$ (27,757)	\$ (1,197)
Board Expenses	\$ 100,540	\$ 98,634	\$ 104,617	\$ 86,818	\$ 100,705	\$ 99,109	\$ 63,817	\$ (1,596)	\$ (35,292)
Executive Expenses	\$ 1,152,477	\$ 1,097,471	\$ 998,342	\$ 1,038,503	\$ 1,359,861	\$ 1,054,223	\$ 1,262,660	\$ (305,638)	\$ 208,437
General Administration	\$ 2,370,303	\$ 2,172,887	\$ 1,808,389	\$ 1,935,331	\$ 2,075,034	\$ 2,109,756	\$ 2,435,140	\$ 34,722	\$ 325,384
Building Expense	\$ 395,909	\$ 441,062	\$ 456,252	\$ 545,373	\$ 598,265	\$ 599,433	\$ 634,259	\$ 1,167	\$ 34,827
Total Administration	\$ 6,188,032	\$ 5,856,248	\$ 5,606,207	\$ 5,715,269	\$ 6,402,504	\$ 5,909,294	\$ 6,689,660	\$ (493,210)	\$ 780,365

2.5

Milton Hydro Distribution Inc.
Capital Expenditures

Capital Expenditures

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
System Access	1,344,514		1,719,914	2,225,064	6,153,621	1,880,000	1,880,000	1,880,000
System Renewal	2,251,090		2,367,548	1,911,528	1,436,270	1,539,052	1,539,052	1,539,052
System Access	1,360,039		2,596,708	2,292,294	790,720	3,345,000	3,345,000	3,345,000
Subdivision Costs	3,078,183		2,520,000	2,570,492	2,520,000	2,520,000	2,520,000	2,520,000
Total Distribution Expenses	8,033,825	9,874,760	9,194,170	8,999,378	10,900,610	9,284,052	9,284,052	9,284,052
NBV Removals	(770,626)	(404,135)	(350,000)	(650,000)	(650,000)	(450,000)	(450,000)	(450,000)
Building for New Headquarters	74,555	55,832		307,160	130,000			
Building - work in progress								
WIP	336,388	164,901						
Other Capex - Replacement & Refurbishment/Tremaine TS			1,000,000	1,000,000				
Non-Growth Related Capex	(359,683)	(183,402)	650,000	657,160	(520,000)	(450,000)	(450,000)	(450,000)
Total Transmission and Distribution Capital Expenditures	7,674,142	9,691,358	9,844,170	9,656,538	10,380,610	8,834,052	8,834,052	8,834,052
Total Other Capital Expenditures (office eqmt, tools)	815,735	1,293,776	225,600	417,733	201,100	696,000	696,000	696,000
Total Land Capital Expenditures								
GROSS CAPITAL EXPENDITURES	8,489,877	10,985,134	10,069,770	10,074,271	10,581,710	9,530,052	9,530,052	9,530,052
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers			0	0	0	0	0	0
Capital Contributions Received - Growth-Related	-2,879,515	-2,920,318	-2,304,793	-2,744,710	-3,896,419	-2,520,000	-2,520,000	-2,520,000
Capital Contributions Received - Non-Growth Related			0	0	0	0	0	0
Total Capital Contributions - net	-2,879,515	-2,920,318	-2,304,793	-2,744,710	-3,896,419	-2,520,000	-2,520,000	-2,520,000
Net Capital Expenditures - Net Impact on Cash Flow	5,610,362	8,064,816	7,764,977	7,329,561	6,685,292	7,010,052	7,010,052	7,010,052

Other Income

Milton Energy & Generation Solutions Inc. (MEGS)

- MEGS has contracted with MHDI to provide the billing and customer service/collection services.
- Effective June 1, 2019 MHDI billed MEGS based on a fully allocated cost plus return of \$3.56 per bill. MHDI has assumed the following rates and percent increases effective June 1st in each year of the forecast.

	June 1, 2018 to May 31, 2019	June 1, 2019 to May 31, 2020	June 1, 2020 to May 31, 2021	June 1, 2021 to May 31, 2022
MHDI Bill Fee charged to MEGS	\$ 3.49	\$ 3.56	\$ 3.63	\$ 3.70
Percent Increase	2.05%	2.01%	1.97%	1.93%

Controllable Expenses

- For 2020, compensation reflects an increase of 2.2% for bargaining unit staff in line with the Collective Agreement effective January 1, 2017 expiring December 31, 2020 and an estimate for total compensation relating to management staff (inflation adjusted 2.2% plus progression, if applicable).
- In 2019, the Pay Equity Maintenance Agreement was finalized. A Pay Equity adjustment was identified for one female job class, Senior Clerk. Based on the Pay Equity Commission’s Regression Line Calculator Proportional Value Method, a retroactive adjustment was calculated from January 1, 2017 to June 30, 2019 and paid out in August 2019 (\$17K).
- Staff levels are monitored regularly against other utilities of similar size. Headcount at the end of 2019 is forecast to be 52 FTE (full time equivalents). Headcount is forecast as follows:
 - 2019P - One (1) SCADA Technician (new)
 - 2020 - Two (2) additions -Director of Operations (vacant); Purchasing Manager (new)
 - 2021- One (1) headcount addition
 - 2022- One (1) headcount addition
 - 2023 - One (1) headcount addition
- Controllable expenses are assumed to increase by 2.5% for each of 2021 through to 2023.

PILs

- Milton Hydro is subject to Payments in Lieu of Tax (“PILs”); tax rates assumed as follows:
 - 2019P - 26.5%
 - 2020 - 26.5%
 - 2021- 26.5%
 - 2022 - 26.5%
 - 2023 - 26.5%

In September 2019, Milton Hydro underwent a Ministry of Finance PILS Audit for tax years 2015 & 2016. The Ministry of Finance proposed a tax adjustment of \$690,000 with interest estimated at \$147,000 (non-deductible for tax); MH is reviewing the tax adjustment with its tax consultants, KPMG. The \$690,000 tax adjustment is a timing difference, with the exception of minor permanent exclusions (less than \$10,000).

3.3

o has also reviewed its 2017/2018 tax years with KPMG and made a provision for all four (4) 2019P budget. The 2019P budget assumes that MH will pay the tax assessment (\$933K) and \$6K) for 2015/2016/2017/2018 in 2019. It is estimated that the tax impact of the adjustment is \$109 million less CCA adjustments plus interest.

est of 7.25% payable on the debt to the Town commenced on October 1, 2001. Payments are made to the Town on a quarterly basis. No principal payments of this promissory note have been made during the forecast period. The budget assumes that Milton Hydro will continue to pay the interest on a rate of 7.25%, however the OEB-approved deemed interest rate pursuant to the 2016 Cost of Service Rate filing on this demand facility is 3.85% which means that approximately \$508,000 of interest is being paid annually to the Shareholder in excess of what has been approved by the OEB to be covered in distribution rates.

o Milton Hydro has signed financing agreements with Infrastructure Ontario and TD to fund its 5-year capital program:

- o November 12, 2009 – Infrastructure Ontario (\$15.752M)
- o March 27, 2013 – Infrastructure Ontario (\$20.044M)
- o December 15, 2015 – TD (\$12.0M)
- o December 15, 2015 – Infrastructure Ontario (\$4.0)

o In October 2019, Milton Hydro borrowed \$3.0 M with an interest rate of 3.146%. MH is expecting to borrow an additional \$1.0 M in December 2019. During the forecast period, Milton Hydro is planning to borrow as follows:

- o 2020 - \$4.0M – Interest rate – 4.0%
- o 2021 - \$4.0M – Interest rate – 4.0%
- o 2022 - \$4.0M – Interest rate – 4.0%
- o 2023 - \$4.0M – Interest rate – 4.0%

Capital expenditures – Growth Related

o New Residential connections

- 2019P – 1,000 new residential connections (budgeted 1,000)
- 2020 to 2023 – 1,000 new residential connections in each year
- cost per residential unit of \$2,520 which includes all capital costs, incremental overhead charges, external costs, secondary buses and meters.
- Developers continue to pay for growth-related capital expenditures and Milton Hydro rebates the developer based on the number of connections to the distribution system. Refunds to the developer are made based on actual residential connections/load over the 5 year connection horizon allowed under the Distribution System Code; over the last 5 years, MHDI's contribution has been approximately 36-40% of total capital costs of completed subdivisions.

o New General Service connections

- 2019P – 38, 2020B – 48 new underground/overhead (traffic/streetlight) services.

o Contributed Capital Policy (now captured in Deferred Revenue)

- 100% contributed capital on new General Class services
- New Residential services not associated with growth are funded through rates
- New Residential services related to growth – MHDI contributes to developers of residential subdivisions based on an economic evaluation.

3.4

Capital expenditures

- ▷ **MHDI System Access Projects (incl Subdivisions)**
 - 2019P - \$4.80 million
 - 2020- \$8.67 million
 - 2021 - 2023 \$4.40 million
- ▷ **MHDI System Renewal Projects**
 - 2019P - \$1.91 million
 - 2020 - \$1.44 million
 - 2021 - 2023 \$1.54 million
- ▷ **MHDI System Service Projects**
 - 2019P - \$2.29 million
 - 2020 - \$790 thousand
 - 2021 - 2023 \$3.35 million

▷ **One Time & General Plant Expenditures**

- 2019P
 - Tremaine TS
 - Breakers (2) - \$1 M – final installment,
 - Feeder Egress \$1.5 M
 - Rolling Stock (2 Pick-ups, 1 Electric Vehicle) - \$128,000
 - IT Security - \$28,000
 - ArcGIS Maps - \$40,000
 - Server/Desktops - \$71,000
 - Building
 - Warehouse Floor - \$170,000,
 - Boiler - \$105,000
 - Geothermal - \$20,000
- 2020B
 - Server/Firewall/Desktops - \$82,500
 - Building
 - Elevator retrofit - \$130,000

4.1

Milton Hydro Distribution Inc. Variance Analysis

OPERATIONAL SUMMARY

Operations

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Revenue	\$ 16,615,170	\$ 17,651,774	\$ 18,118,944	\$ 18,172,943	\$ 18,932,283
(incl Finance Income)	\$ 2,093,477	\$ 2,607,092	\$ 2,220,667	\$ 2,322,788	\$ 2,287,011
Expenses	\$ 8,941,247	\$ 9,488,241	\$ 10,398,073	\$ 9,757,659	\$ 10,612,469
	\$ 3,482,059	\$ 3,761,991	\$ 4,010,333	\$ 4,093,445	\$ 4,440,409
	\$ 2,570,940	\$ 2,606,634	\$ 2,700,333	\$ 2,849,671	\$ 2,787,353
	\$ 359,103	\$ 25,965	\$ 350,000	\$ 650,000	\$ 650,000
Before Tax & Reg Movement	\$ 1,458,806	\$ 3,318,028	\$ 2,874,079	\$ 3,144,956	\$ 2,729,062
	\$ 888,791	\$ 1,270,930	\$ 761,600	\$ 880,041	\$ 723,200
Movement/Taxes	\$ (2,495,167)	\$ (2,255,898)	\$	\$	\$
Comprehensive loss	\$ 101,797				
After Tax & Regulatory Movement	2,963,385	4,302,996	2,112,479	2,264,915	2,005,862
(Increase)	0.4%	45.2%	-32.4%	7.2%	-11.4%

Estimated net earnings after tax of \$2,264,915 is estimated to be \$152,436 higher than 2019

Other Income - \$102,121
 Other Controllable Expenses - \$640,414
 Other Distribution Revenue - \$53,999
 Other Depreciation - \$83,112
 Other Interest Expenses - \$149,338
 Other PILS - \$118,441
 Other PP&E disposals - \$350,000

Estimated Net earnings after tax of \$2,005,862 is forecast to be \$259,053 lower than 2019

Other Income - \$35,777
 Other Controllable Expenses - \$854,810
 Other Depreciation Expense - \$346,964
 Other Distribution Revenue - \$759,340
 Other Interest Expense - \$ 33,318
 Other PILS - \$156,841

Expenditures –

required by the OEB, distributors are now required to report investment projects and activities into four investment categories; System Access, System Renewal, System Service and General Plant. Milton Hydro, starting in 2015 has revised its budgeting of Capital to reflect these new categories.

Milton Hydro is projected to spend \$9.8 million on net capital expenditures during 2019 compared to plan of \$9.6 million. 2019B envisioned 1,000 new subdivisions connections and is expected to reach this target. A number of Municipal/Region projects were delayed to

4.2

2020 and the 2 new feeder positions at Tremaine TS purchased from Hydro One will be used & useful by end of year 2019 –the initial deposit of \$1 million was paid in 2018 with the balance of \$1 million paid in 2019, along with the Feeder Egress costs of \$1.5 million incurred in 2019.

Net Capital expenditures in 2020 are forecasted to be \$7.83 million including a number of Municipal/Region projects (\$5.7M gross capex). Milton Hydro is projecting 1,000 new Subdivision connections.

Budget envisioned a Net Cash outflow of (\$0.9M) which included obtaining net third party in 2019 of \$4.0 million; it is projected for 2019 that there will be a Net Cash outflow of \$4 million in third party borrowings in 2019. 2019 includes a \$1,109,000 payment for 2015/2016/2017/2018 PILS Assesment & Interest penalty. It is projected that 2020 will have a net inflow of \$2.99 million with \$7.8 million in capex spending anticipated.

2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
\$ 14,094	\$ 10,120	\$ 23,040	\$ 11,100	\$ 17,500
\$ 1,450,596	\$ 1,406,992	\$ 1,471,469	\$ 1,338,367	\$ 1,516,697
\$ 763,916	\$ 692,133	\$ 774,130	\$ 697,306	\$ 759,587
\$ 2,806,732	\$ 2,973,834	\$ 3,434,895	\$ 3,163,979	\$ 3,697,800
\$ 104,752	\$ 86,818	\$ 100,705	\$ 99,109	\$ 63,817
\$ 456,252	\$ 545,373	\$ 598,265	\$ 599,433	\$ 634,259
\$ 5,606,342	\$ 5,715,269	\$ 6,402,504	\$ 5,909,294	\$ 6,889,660
	1.9%	12.0%	-7.7%	13.2%

4.7

Administration Expense

Administration Expenses are comprised of the following:

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Community Relations	\$ 14,094	\$ 10,120	\$ 23,040	\$ 11,100	\$ 17,500
Billing	\$ 1,450,596	\$ 1,406,992	\$ 1,471,469	\$ 1,338,367	\$ 1,516,697
Collection	\$ 763,916	\$ 692,133	\$ 774,130	\$ 697,306	\$ 759,587
General Administration	\$ 2,806,732	\$ 2,973,834	\$ 3,434,895	\$ 3,163,979	\$ 3,697,800
Insurance	\$ 104,752	\$ 86,818	\$ 100,705	\$ 99,109	\$ 63,817
PL & PD	\$ 456,252	\$ 545,373	\$ 598,265	\$ 599,433	\$ 634,259
TOTAL ADMINISTRATION EXPENSE	\$ 5,606,342	\$ 5,715,269	\$ 6,402,504	\$ 5,909,294	\$ 6,889,660
		1.9%	12.0%	-7.7%	13.2%

Administration Expense for 2019 is expected to be (\$493,210) or (-7.7%) lower than plan due to:

Promotions/Community Relations – overall (\$11,940) lower than plan - Community School Safety programs performed on a rotational 3 year program.

Billing/Meter Reading/Finals/Collections - overall (\$209,926) lower than plan

- o Direct Labour – IT Settlement Specialist on maternity leave (\$163,000)
- o Postage/ Customer bills (\$22,000)
- o Computer Consulting (\$6,000)
- o Training/conferences (Harris Training delayed) (\$8,000)
- o Credit Insurance (\$14,000)
- o Bad Debt increase \$20,000
- o Subcontract Meter reading/Olameter Probing (\$8,000)

General Administration – overall (\$270,916) lower than plan due to:

- o Direct Labour - Director of Ops (vacant); partial reallocation of CEO's time to MEGS/MHHI & comp adjust. (\$361,000)
- o Incentive Plan/Employee Future Benefits \$6,000
- o Audit & Legal costs (\$9,000)
- o Consulting/Regulatory
 - Safety Consulting \$27,450
 - Harris/Northstar support \$4,500
 - Pay Equity consulting \$8,000
 - Privacy Audit \$32,000
 - Respect in the Workplace/Intervention \$29,000
 - Portal support/consulting \$20,000
 - Disaster Recovery (\$5,000)
 - Cyber Security - Esentire (\$20,000)
 - HR Consulting (\$34,000)
 - Customer Survey (\$9,000)
- o PL & PD Insurance \$2,000

4.8

Administration Expense for 2020 is budgeted to be \$780,366 higher than 2019P, representing a 13.2% increase:

- Direct Labour - \$540,000
 - Compensation for bargaining unit staff reflects current collective agreement (2.2%) and an estimate for total compensation relating to management staff.
 - Two additional hires in 2019 – Director of Operations (vacant) and Purchasing/Stores/Facilities Manager (new)
 - Return of IT Settlement Supervisor from maternity leave
- Consulting - \$16,000
 - Safety Consulting - \$20,000
 - Post Employment Benefit Actuarial Valuation - \$8,000
 - Labour Negotiation Assistance - \$10,000
 - Security Audit – DBG - \$25,000
 - Business Continuity - \$30,000
 - Disaster Recovery \$20,000
 - Privacy Audit – (\$32,000)
 - Respect in Workplace Investigation (\$11,000)
 - Workplace Facilitation (\$18,000)
 - Pay Equity Assistance – (\$13,000)
 - Customer Portal Support –(\$10,000)
- Software Maintenance - \$30,000
- Management Fees - \$47,000
- Professional/Legal - \$15,000
- Regulatory - \$202,000 (Distribution System Plan consulting; Customer Engagement consulting)
- Printing/Billing - \$11,000
- Community/promotion programs – \$6,400
- Travel Expenses - (\$36,000)
- Un-delivered charges (\$25,000) – OEB mandated no collection fees from July 1, 2019
- Advertising Expenses – (\$60,000)

Interest Expense

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
Interest (2016T - Deemed)	\$ 2,570,940	\$ 2,606,634	\$ 2,700,333	\$ 2,849,671	\$ 2,787,353
% increase (decrease)		1.4%	3.6%	5.5%	-2.2%

Effective October 1, 2001, MHDI began paying interest of 7.25% on the promissory note (\$14,934,210) to the Shareholder in line with the deemed interest rate included in distribution rates. Effective May 1, 2016, MHDI filed its 2016 Cost of Service and the deemed interest rate included in distribution rates was adjusted to 3.85%; however, it was agreed that Milton Hydro would continue to pay interest on the promissory note to the Town at 7.25% (representing annually \$508,000 of interest in excess of what Milton Hydro is collecting in distribution rates).

Milton Hydro pays interest of 75 bps on the Letter of Credit (\$3.0 million) that is required to be posted with the Independent Electricity Market Operator (IESO) at the time of market opening as well as interest paid out on customer deposits.

Milton Hydro has signed financing agreements with Infrastructure Ontario and TD to fund its multi-year capital program:

- o November 12, 2009 – Infrastructure Ontario (\$15.752M)
- o March 27, 2013 – Infrastructure Ontario (\$20.044M)
- o December 15, 2015 – Infrastructure Ontario (\$4.0)
- o December 15, 2015 – TD (\$12.0M)

In September 2019, Milton Hydro underwent a Ministry of Finance PILS Audit for tax years 2015 & 2016. The Ministry of Finance proposed a tax adjustment of \$690,000 with interest estimated at \$147,000 (non-deductible for tax); MH is reviewing the tax adjustment with its tax consultants, KPMG. Milton Hydro has also reviewed its 2017/2018 tax years with KPMG and made a provision for all four (4) years in its 2019P budget. The 2019P budget assumes that MH will interest (\$176K) for 2015/2016/2017/2018 in 2019.

Infrastructure Ontario:

To-date, Milton Hydro has drawn down the entire \$15,752,257 under the existing Financing Agreement No. 09Mil930079055FA with Infrastructure Ontario dated November 12, 2009.

	Debenture #1	Debenture #2	Debenture #3	Debenture #4	Debenture #5	Debenture #6	Total
Principal Amount	\$285,000	\$2,880,057	\$4,000,000	\$3,487,200	\$2,550,000	\$2,550,000	\$15,752,257
Closing Date	01-Apr-10	01-Apr-10	15-Jul-10	15-Sep-11	15-Feb-12	17-Sep-12	
Maturity Date	01-Apr-16	01-Apr-25	16-Jul-35	15-Sep-36	16-Feb-37	17-Sep-37	
Annual Interest Rate -fixed	3.02%	4.49%	4.84%	4.33%	3.92%	3.87%	
Loan Term	5 years	15 years	25 years	25 years	25 years	25 years	
Payment Frequency	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	
Loan Type	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	

To-date, Milton Hydro has drawn down the entire \$20,044,000 under the Financing Agreement No. 12Mil9300712059FA with Infrastructure Ontario dated March 27, 2013.

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on

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
(base)	3,482,059	\$ 3,761,001	\$ 4,017,126	\$ 4,093,445	\$ 4,440,409
	5.5%	8.0%	6.8%	1.9%	8.5%

ected to spend \$10.7 million on gross capital expenditures during 2019P. Costs include the

Maine TS

- ▷ \$1.0M final payment (\$1.0M deposit paid in 2018 and included in WIP)
- ▷ \$1.55M feeder egress costs
- n/Region projects - \$570,000
- ding - resurface warehouse floor - \$170,000
- ding - Boiler - \$ 105,000
- ding - GEO Thermal - \$20,000
- em Automation - \$740,000
- ing Stock - 2 pickup trucks; 1 electric vehicle - \$128,000

l Expenditures in 2020B are expected to be \$11.2 million (net \$7.83 million). Included in 2020B are costs relating to the following:

- n/Region projects - \$2.82 million
- em Automation - \$790,000
- ding - retrofit elevator - \$130,000

axes (PILS)

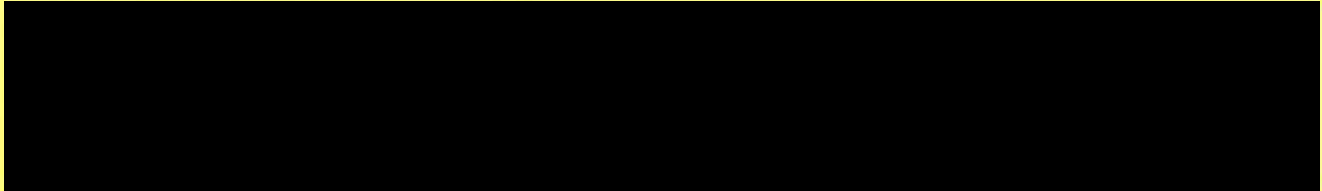
	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget
	\$ 888,791	\$ 1,270,930	\$ 761,600	\$ 880,041	\$ 723,200
		26.5%	26.5%	26.5%	26.5%

ion is required to make payments in lieu of income taxes and remit such amounts to the Ministry. The amount of payments in lieu of tax will be approximately equivalent to the income and capital would have to be paid if the Company was a taxable corporation under the Income Tax Act

o accounts for all significant timing differences as Deferred PILS on the balance sheet.

2019, Milton Hydro underwent a Ministry of Finance PILS Audit for tax years 2015 & 2016. of Finance proposed a tax adjustment of \$690,000 with interest estimated at \$147,000 (non-tax); MH is reviewing the tax adjustment with its tax consultants, KPMG. The \$690,000 tax a timing difference, with the exception of minor permanent exclusions (less than \$10,000). o has also reviewed it's 2017/2018 tax years with KPMG and made a provision for all four (4) 019P budget. The 2019P budget assumes that MH will pay the tax assessment (\$933K) and (K) for 2015/2016/2017/2018 in 2019.

CAPITAL RESOURCES AND LIQUIDITY



Dividends

The budget anticipates dividend payments by MHDI to Milton Hydro Holdings Inc. (MHHI) as follows:

- 2019P - \$1.50 million
- 2020 - \$1.50 million
- 2021 - \$1.50 million
- 2022 - \$1.50 million
- 2023 - \$1.50 million

External Credit Facilities

MHDI has arranged bank credit consisting of a \$4.0 million operating line to address working capital requirements and a \$3.0 million Letter of Credit that have been posted with the Independent Electricity Supply Operator ("IESO").

Third party borrowings (net of principle payments) totaling \$42.9 million are projected by the end of 2019 to fund capital expenditures. Borrowings of \$4.0 million in each of 2020-2022 will be required during the forecast period to fund the capital program. Interest is assumed to be 4.0% during 2020 through to 2022.

Liquidity

The Cash balance at the end of 2019 is projected to be \$7.3 million and \$10.3 million at the end of 2020.

The Corporation continues to follow an aggressive capital spending plan in line with the significant residential development in the Town of Milton. The Corporation expects to spend \$10.7 million in gross capital (\$9.8 million net capex) expenditures in 2019 and \$11.2 million in 2020 (\$7.83 million net capex).

KEY PERFORMANCE INDICATORS	Explanation	2016 Actual	2017 Actual	2018 Budget	2018 Projected	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 budget	2023 budget
Current Ratio	Current Assets divided by Current Liabilities	2.09	1.55	1.56	1.72	1.57	1.67	1.49	1.63	1.64	1.66	1.69
Debt Ratio	Total Liabilities divided by Total Assets	0.68	0.68	0.68	0.69	0.67	0.69	0.69	0.70	0.71	0.71	0.71
	Long Term Debt divided by Rate Base	61.5%	58.3%	55.7%	57.9%	59.1%	59.4%	59.2%	61.0%	60.3%	60.8%	#DIV/0!
	Long Term Debt divided by LTD + Equity	57.2%	55.7%	56.6%	56.0%	55.3%	56.8%	56.0%	56.8%	57.3%	57.6%	57.8%
Operating Surplus as a percentage of Total Revenues from Energy Sale	Net Income divided by Total Revenues from Energy Sale	2.3%	2.9%	1.5%	2.2%	4.2%	1.7%	2.1%	1.9%	2.1%	2.2%	2.3%
Working Capital to Net Expenses	Working Capital divided by the sum of Cost of Power and Controllable Expenses	14%	10%	8%	10%	10%	10%	9%	11%	11%	12%	12%
Accounting Return on Equity (Net Income/Total Equity per B/S - end)	Net Return divided by Equity	7.3%	7.1%	5.0%	7.2%	9.6%	4.8%	5.0%	4.4%	4.9%	5.1%	5.3%
NET EARNINGS		\$ 2,953,013	\$ 2,963,385	\$ 2,112,492	\$ 3,126,392	\$ 4,302,996	\$ 2,112,479	\$ 2,264,915	\$ 2,005,862	\$ 2,306,001	\$ 2,437,816	\$ 2,583,856
EBT		\$ 2,732,161	\$ 1,458,806	\$ 1,979,163	\$ 4,843,265	\$ 3,318,028	\$ 2,874,079	\$ 3,144,956	\$ 2,729,062	\$ 3,137,401	\$ 3,316,716	\$ 3,515,456
Equity		\$ 40,378,218	\$ 41,841,603	\$ 42,441,639	\$ 43,467,995	\$ 44,644,597	\$ 44,080,474	\$ 45,409,511	\$ 45,915,373	\$ 46,721,374	\$ 47,659,190	\$ 48,743,046
LTD + Equity		\$ 94,235,681	\$ 94,474,132	\$ 97,773,536	\$ 98,779,782	\$ 99,974,708	\$ 101,948,598	\$ 103,311,562	\$ 106,236,330	\$ 109,329,271	\$ 112,416,750	\$ 115,507,464

Rate Base Calculation

Rate of Return Analysis	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Deemed Debt ratio	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Deemed CER	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Rate Base (Avg. Net Fixed Assets plus WC):											
<i>Net Fixed Assets (avg begin and end)</i>	66,522,799	71,705,635	78,290,113	81,876,311	85,171,547	87,221,799	89,160,149	89,953,669	94,733,182	97,191,808	99,414,114
<i>Working Capital Allowance:</i>	14,957,873	16,718,268	9,294,257	8,385,304	8,408,137	10,134,907	8,663,065	8,915,244	9,095,957	9,277,140	9,458,805
<i>COP & Controllable Expenses</i>	99,719,150	111,455,120	123,923,428	111,804,059	112,108,487	135,132,094	115,507,537	118,869,920	121,279,422	123,695,198	126,117,406
<i>Less: Depr and Sent Lgt Exp incl in O&M **</i>	99,719,150	111,455,120	123,923,428	111,804,059	112,108,487	135,132,094	115,507,537	118,869,920	121,279,422	123,695,198	126,117,406
<i>7.5% of COP & Controllable Expenses</i>	14,957,873	16,718,268	9,294,257	8,385,304	8,408,137	10,134,907	8,663,065	8,915,244	9,095,957	9,277,140	9,458,805
<i>Effective (May 1, 2016- Working Capital 7.5%)</i>											
Total Deemed Rate Base	81,480,672	88,423,903	87,584,371	90,261,615	93,579,684	97,356,706	97,823,214	98,868,913	103,829,139	106,468,948	108,872,920

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
SALES								
Net Service Revenue	119,477,982	120,272,020	124,734,021	123,922,821	127,189,734	130,071,239	132,948,894	135,844,937
		1%	-10%	3%	3%	2%	2%	2%
Volume Sold	893,809,130	943,143,950	969,227,973	964,283,730	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841
% Increase (Decrease) in Consumption	-1%	6%	3158.322433	0.022414161	0.020344404	2%	2%	2%
Rates per kWh	0.13367	0.12752	0.12869	0.12851	0.12927	0.12962	0.12994	0.13028
Average # of Customers	-0.044255901 37,349	-0.046010643 38,735	-0.999716024 39,893	0.007766296 40,077	0.005898082 40,893	0.3% 41,893	0.3% 42,893	0.3% 43,893
RATE OF RETURN	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
BASE Revenue/Sales Requirement								
<i>Made up of:</i>								
Prior Years Revenue Requirement								
Growth in Demand - Power								
Growth in Demand - Distribution								
Revenue Requirement using 1999 rates								
PBR Adjustments								
<i>Year 1 (2000):</i>								
Market Based Rate of Return								
Deduct Prior Years Profit (adjusted for financ								
Entry Transition Costs								
MBRR Increment (2001,2002 &2003)								
Base Distribution Revenue - PBR Adjusted	16,615,170	17,651,774	18,118,944	18,172,943	18,932,283	19,655,269	20,374,404	21,111,928
Revenue Including PBR Adj'mt to								
Calculate Rates	119,477,981	120,272,021	124,734,021	123,922,821	127,189,734	130,071,239	132,948,894	135,844,937
<i>Made up of:</i>								
Cost of Power	102,862,811	102,620,247	124,734,021	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
Base Distribution Revenue - PBR								
Adjusted	16,615,170	17,651,774	18,118,944	18,172,943	18,932,283	19,655,269	20,374,404	21,111,928
Forecast kWh's Purchased (with losses)	893,809,130	943,143,950	969,227,973	964,283,730	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841
Forecast kWh's sold (no losses)	863,490,402	903,526,260	935,520,904	930,840,168	949,748,869	968,657,570	987,566,272	1,006,474,973
GS>5000 kwh sold (no losses)	136,200,949	137,135,098	133,491,760	142,033,383	142,033,383	142,033,383	142,033,383	142,033,383
Estimated Tariff Rate (cents per kWh)	0.13367	0.12752	0.15270	0.12851	0.12927	0.12962	0.12994	0.13028
Power cost/kwh Sold	0.11508	0.10881	0.13333	0.10967	0.11003	0.11003	0.11003	0.11003
Distribution Rate/kWh Sold	0.01859	0.01872	0.01937	0.01885	0.01924	0.01959	0.01991	0.02025
% Inc/(Dec) in Overall Rate	-4.4%	-4.6%	-2.0%	-100.0%	0.005898082	0.3%	0.3%	0.3%
COST OF SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget

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	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
SALES								
COST OF SALES	102,862,811	102,620,247	124,734,021	105,749,878	108,257,451	110,415,970	112,574,490	114,733,009
	-0.059276628	-0.2%	2.7%	3.0%	2.4%	2.0%	2.0%	1.9%
- Volume Sold	893,809,130	943,143,950	969,227,973	964,283,730	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841
- Line Loss (%)	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Total Volume Purchased	924,316,931	975,481,162	1,002,623,854	997,305,432	1,017,658,877	1,038,012,321	1,058,365,765	1,078,719,210
Line Loss Cost per kWh/Sold	0.0034	0.0034	0.0034	-	0.0034	0.0034	-	-
Calculation of Tariff Rate (Retail COP)	0.11508	0.10881	0.12869	0.10967	0.11003	0.11003	0.11003	0.11003
OPERATING & MAINTENANCE, ADMIN. EXPENSES (based on headcounts)								
O&M Cost per Customer	\$ 88.01	\$ 95.33	\$ 98.37	\$ 95.18	\$ 94.58	\$ 94.56	\$ 94.60	\$ 94.69
Admin Cost per Customer	\$ 147.95	\$ 144.41	\$ 157.62	\$ 146.15	\$ 161.28	\$ 160.91	\$ 160.65	\$ 160.49
Total - O&M and Admin Cost per Customer	\$ 235.95	\$ 239.74	\$ 255.99	\$ 241.33	\$ 255.86	\$ 255.47	\$ 255.25	\$ 255.18
Number of customers - end	37,893	39,577	40,619	40,433	41,478	42,523	43,568	44,613
- Operating Maintenance Expense	3,334,905	3,772,972	3,995,569	3,848,365	3,922,810	4,020,880	4,121,402	4,224,437
- General & Administration	5,583,509	5,694,836	6,377,504	5,819,317	6,578,119	6,731,031	6,887,765	7,048,418
	8,918,414	9,467,808	10,373,073	9,667,682	10,500,928	10,751,911	11,009,167	11,272,856
Total HeadCount	59.0	53.0	57.0	52.0	54.0	55.0	56.0	57.0
Check	9,921,079	9,185,966	9,565,756	9,751,842	9,957,712	10,915,956	11,174,468	11,439,442
O&M and Admin Expense / Employee	151,547	179,023	182,422	187,647	196,527	197,517	198,584	199,726
Rent for Milton Hydro Building								
Lease Payments - Hydro One								
Management Fee Payable to MHHI	22,833	20,433	25,000	89,977	111,541	111,541	111,541	111,541
Load Transfer Reconciliation								
Misc								
CDM - 2006 Monies						100000.0	100000.0	100000.0
Total O&M and Admin Expense	8,941,247	9,488,241	10,398,073	9,757,659	10,612,469	10,863,452	11,120,708	11,384,397
Z-FACTOR ALLOWANCE (ONE TIME)								
OTHER OPERATING REVENUES								
- Water Billing & Collecting	636,101	670,225	710,577	717,743	752,366	785,801	819,954	856,155
-Gain/(Loss)Loss on removals of FA			-					
- Miscellaneous	1,020,441	1,567,893	964,612	1,002,671	878,895	889,360	900,044	910,953
- Interest Earned	141,734	182,493	140,000	168,719	140,000	140,000	140,000	140,000

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Regulatory Variance								
Deferred Revenue (new)	295,202	368,974	405,479	433,656	515,750	595,070	657,374	719,678
Total Other Revenues	2,093,478	2,789,585	2,220,667	2,322,788	2,287,011	2,410,231	2,517,372	2,626,786
INTEREST EXPENSE	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Interest Expense								
Total Amount of Interest on Existing Obligations (deposits)	45,915	68,902	50,000	68,856	68,856	68,856	68,856	68,856
Amount of New Debt Outstanding Beyond 2000:	(1,224,934)	2,697,582	2,556,337	2,571,941	2,418,905	2,286,941	2,149,663	2,006,857
Amount of Total Equity at Beginning of Year	53,857,463	52,632,529	55,311,786	55,330,111	57,902,052	60,320,957	62,607,898	64,757,561
Beginning Balance	53,857,463	52,632,529	55,311,786	55,330,111	57,902,052	60,320,957	62,607,898	64,757,561
Restructuring Debt to Issue								
New Debt to Issue	-	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Repayment of debt	(1,224,934)	(1,302,418)	(1,443,663)	(1,428,059)	(1,581,095)	(1,713,059)	(1,850,337)	(1,993,143)
Ending Balance	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Interest Rate - Town of Milton note	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Rate - new debt	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%
Balance of Holdco loan								
Current Portion of New Long-Term Debt								
Total New Long-Term Debt	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Interest Expense - Town Promissary Note	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730
Interest Expense - New Debt	1,442,295	1,455,002	1,552,666	1,507,148	1,620,831	1,717,428	1,808,689	1,894,397
Total Amount of Interest	2,525,025	2,537,732	2,635,397	2,589,879	2,703,561	2,800,159	2,891,420	2,977,127
	4.8%	4.6%	4.6%		4.5%	4.5%	4.5%	4.5%
Total Current Portion of Long Term Debt								
Total Non-Current Portion of Long Term Debt	52,632,529	55,330,111	57,868,124	57,902,052	60,320,957	62,607,898	64,757,561	66,764,418
Interest Expense on Existing Debt	30,979	53,966	50,000	68,856	68,856	68,856	68,856	68,856
Interest Penalty MOF 2019 assessment				176,000				
Interest on Prudential Letter of Credit (75 bps)	14,936	14,936	14,936	14,936	14,936	14,936	14,936	14,936
Interest Expense on Long Term Debt	2,525,025	2,537,732	2,635,397	2,589,879	2,703,561	2,800,159	2,891,420	2,977,127
Total Interest Expense	2,570,940	2,606,634	2,700,333	2,849,671	2,787,353	2,883,951	2,975,212	3,060,919

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
ACCOUNTS RECEIVABLE	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Accounts Receivable Balance	10,344,174	10,369,910	11,960,797	11,883,010	12,196,276	12,472,585	12,748,524	13,026,227
Sales	119,477,982	120,272,020	124,734,021	123,922,821	127,189,734	130,071,239	132,948,894	135,844,937
Accounts Receivable Turnover (Days)	31.6	31.5	35.0	35.0	35.0	35.0	35.0	35.0
Average No. of Days to Collect								
Turnover Ratio								
PILs Receivable	768,369	180,633						
Current Year Receivables	11,112,543	10,550,543	11,960,797	11,883,010	12,196,276	12,472,585	12,748,524	13,026,227
DIVIDEND PAY-OUT CALCULATION	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Total Dividend Pay-Out for the Year	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
UNBILLED REVENUE	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Unbilled Revenue Balance	10,063,177	11,172,503	10,505,873	10,505,874	10,782,835	11,027,122	11,271,082	11,516,602
Sales	119,477,982	120,272,020	124,734,021	123,922,821	127,189,734	130,071,239	132,948,894	135,844,937
Unbilled Revenue Turnover (Days)	31	34	31	31	31	31	31	31
Average No. of Days to Bill								
Turnover Ratio	0.084226205	0.092893617	0.084226203	0.084777557	0.084777557	0.084777557	0.084777557	0.084777557
Current Year Unbilled Revenue	10,063,177	11,172,503	10,505,873	10,505,874	10,782,835	11,027,122	11,271,082	11,516,602
DEVELOP CHARGES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Opening Balance								
Ending Balance								
Change (CF)								
INVENTORY	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Inventory	1,325,720	1,368,320	1,325,720	1,368,320	1,368,320	1,368,320	1,368,320	1,368,320
(Increase)/Decrease from Prior Year Balance								
PREPAID EXPENSES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Prepaid Expenses	977,824	1,001,049	769,112	800,743	900,743	900,743	900,743	900,743

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
OTHER ASSETS	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Other Regulatory Assets			188,779		-	-	-	-
IFRS			(23,369)		-	-	-	-
Less: Allowance			-		-	-	-	-
Pre Market Variance Acc'ts			-		-	-	-	-
Post Market Variance Acc'ts	2,959,146	4,705,715	(939,224)		-	-	-	-
LV Recovery	(1,905,743)	(2,411,812)	932,489		-	-	-	-
Variance re PPE changes (acct 1576 - 4305/4310)			348,207		-	-	-	-
Smart Meter Capital			-		-	-	-	-
Smart Meter OM&A			-		-	-	-	-
LRAM			140,536		-	-	-	-
IFRS - 1575 - loss on disposal			-		-	-	-	-
Deferred PILS (new 2012)			-		-	-	-	-
Ice Storm 2013			-		-	-	-	-
Smart Meter Entily Charge			(56,518)		-	-	-	-
Special Purpose Charge/Deferred PILS			-		-	-	-	-
Recovery of Regulatory Assets			(127,171)		-	-	-	-
Total Regulatory Assets	1,053,403	2,293,903	463,729	2,619,433	920,750	948,393	1,018,393	1,088,393
Deferred Charges								
Future Income Taxes	2,562,266	3,577,664	2,596,857	2,644,569	2,644,569	2,644,569	2,644,569	2,644,569
Other Deferred Credits	278,117	251,269	278,117	251,269	251,269	251,269	251,269	251,269
Total Deferred Charges	2,840,383	3,828,933	2,874,974	2,895,838	2,895,838	2,895,838	2,895,838	2,895,838
Ending Balance	3,893,786	6,122,836	3,338,703	5,515,271	3,816,588	3,844,231	3,914,231	3,984,231
	3,615,669	5,871,567	3,060,586	6,197,097	3,565,319	3,592,962	3,662,962	3,732,962
Fixed Assets	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2020 Budget	2022 Budget	2023 Budget
Building, Transmission & Distribution System								
- Original Costs	190,783,621	198,457,764	204,250,366	208,149,122	216,805,660	227,186,270	236,020,322	244,854,374
Contributed Capital not recorded (1999 F/S adjustment)								
Eliminate Building (transfer to Town)								
- Beginning NBV	115,326,980	118,960,915	120,569,165	124,407,866	128,595,715	134,241,970	138,067,172	141,639,972
- Adjustment - Removals	(770,625)	(404,135)	(350,000)	(350,000)	(350,000)	(450,000)	(450,000)	(450,000)
- Additions - Class 47	8,033,825	9,874,760	9,194,170	8,999,378	10,900,610	9,284,052	9,284,052	9,284,052
- Class 1 Building	74,555	55,832		307,160	130,000			
- Building/Tremaine TS (WIP)	336,388	261,091						

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
-Class 8 (meters)								
- Total Additions	7,674,143	9,691,358	8,844,170	8,656,538	10,380,610	8,834,052	8,834,052	8,834,052
- Disposals: smart meter pre 2007								
- Disposals: smart meter: re 2007								
- Adjustment - smart meters/stranded meters								
- Closing Cost	198,457,764	208,149,122	213,094,536	216,805,660	227,186,270	236,020,322	244,854,374	253,688,426
- Beginning Accumulated Depreciation	75,456,641	79,496,849	83,681,201	83,741,256	88,209,945	92,944,300	97,953,151	103,214,402
Eliminate Building & Fibre& Sent Lgt. Acc. Depn (transfer to Town, Affiliate)								
- Depreciation Removals								
- Depreciation Expense	4,040,207	4,244,408	4,400,123.13	4,468,688.54	4,734,355.20	5,008,850.37	5,261,251.86	5,513,653.34
- Add-Back: deprec on smart meters/stranded meters			0		0	0		
- Closing Accumulated Depreciation	79,496,849	83,741,256	88,081,324	88,209,945	92,944,300	97,953,151	103,214,402	108,728,056
- Closing NBV	118,960,915	124,407,866	125,013,212	128,595,715	134,241,970	138,067,172	141,639,972	144,960,371
Office Equipment, Tools & Rental Units								
- Original Costs	10,452,927	11,268,662	12,204,276	12,562,438	12,980,171	13,181,271	13,877,271	14,573,271
- Adjustment - allocation								
- Beginning NBV	3,867,156	3,901,430	3,936,963	4,304,129	3,715,631	2,844,194	2,437,753	1,984,912
- Transition Costs to be readjusted in 2002								
Additions - rolling stk	117,645	459,485		128,000	-			
- hardware after Mar 04	70,635	81,671		114,741	82,500			
- software	375,894	550,748		100,563	46,000			
- other	251,562	201,871		74,430	72,600			
- Additions	815,735	1,293,776	225,600	417,733	201,100	696,000	696,000	696,000
- Disposals								
- Closing Cost	11,268,662	12,562,438	12,429,876	12,980,171	13,181,271	13,877,271	14,573,271	15,269,271
- Opening Accumulated Depreciation	6,585,771	7,367,232	8,267,313	8,258,309	9,264,540	10,337,078	11,439,519	12,588,360
- Eliminate Fibre&Sent Light Acc Dep								
- Depreciation Rate								
- Depreciation Expense	781,461	891,077	993,054	1,006,231	1,072,538	1,102,441	1,148,841	1,195,241
- Add-Back								
- Adjustment - allocation								
- Closing Accumulated Depreciation	7,367,232	8,258,309	9,260,367	9,264,540	10,337,078	11,439,519	12,588,360	13,783,601
- Closing NBV	3,901,430	4,304,129	3,169,509	3,715,631	2,844,194	2,437,753	1,984,912	1,485,671
Growth Related Capex								

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
System Access, Renewal, Service Growth Contributed Capital	8,033,825	9,874,760	9,194,170	8,999,378	10,900,610	9,284,052	9,284,052	9,284,052
TOTAL GROWTH RELATED CAPEX SPARE ITEM	8,033,825	9,874,760	9,194,170	8,999,378	10,900,610	9,284,052	9,284,052	9,284,052
- Original Costs								
- Beginning NBV								
- Additions								
- Disposals								
- Closing Cost								
- Opening Accumulated Depreciation								
- Depreciation Rate								
- Depreciation Expense								
- Add-Back								
- Closing Accumulated Depreciation								
- Closing NBV								
Non Growth Related Capex - per Mary-Building Costs	74,555	55,832		307,160	130,000			
TS Costs								
TOTAL TRANS & DIST CAPEX	8,033,825	9,874,760	9,194,170	8,999,378	10,900,610	9,284,052	9,284,052	9,284,052
TOTAL REMOVALS	(770,625)	(404,135)	(350,000)	(550,000)	(650,000)	(450,000)	(450,000)	(450,000)
TOTAL OFFICE EQUIPMENT, TOOLS, ETC ADDITIONS	815,735	1,293,776	225,600	417,733	201,100	696,000	696,000	696,000
TOTAL LAND Building/Tremaine (WIP)								
GRAND TOTAL OF CAPEX	\$ 8,153,490	\$ 10,820,233	\$ 9,069,770	\$ 9,074,271	\$ 10,581,710	\$ 9,530,052	\$ 9,530,052	\$ 9,530,052
		\$ (164,901)						
Accumulated New Contributed Capital	\$ 59,498,554	\$ 62,049,535	\$ 63,134,002	\$ 64,360,589	\$ 67,741,257	\$ 69,666,187	\$ 71,528,812	\$ 73,329,134
Amortization Of New Contributed Capital	1,105,481	1,105,235	1,106,498	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129
Removals CC								
Accumulated Amortization Of New Contributed Capital	\$ 16,628,187	\$ 17,733,422	\$ 18,841,183	\$ 18,838,551	\$ 19,943,679	\$ 21,048,808	\$ 22,153,936	\$ 23,259,065
Net Contributed Capital	\$ 42,870,368	\$ 44,316,113	\$ 44,292,819	\$ 45,522,038	\$ 47,797,578	\$ 48,617,379	\$ 49,374,876	\$ 50,070,069
Deferred Revenue	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Opening balance	\$ 9,600,373	\$ 12,184,686	\$ 13,920,820	\$ 14,736,029	\$ 17,047,083	\$ 20,427,751	\$ 22,352,681	\$ 24,215,307
Additions	\$ 2,879,515	\$ 2,920,318	\$ 2,304,793	\$ 2,744,710	\$ 3,896,419	\$ 2,520,000	\$ 2,520,000	\$ 2,520,000
Amortization of Deferred Revenue	\$ 295,202	\$ 368,975	\$ 405,479	\$ 433,656	\$ 515,750	\$ 595,070	\$ 657,374	\$ 719,678
Ending Balance	\$ 12,184,686	\$ 14,736,029	\$ 15,820,134	\$ 17,047,083	\$ 20,427,751	\$ 22,352,681	\$ 24,215,307	\$ 26,015,628
Fixed Assets	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Leasehold Improvements (1910)			2020REV	Financial Budget,	20191204.xlsx		12/06/19	11:26 AM

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Original Costs	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Beginning NBV			0	0	0	0	0	0
- Additions								
- Disposals								
- Closing Cost	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Opening Accumulated Depreciation	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Depreciation Rate								
- Depreciation Expense	0	0	0	0	0	0	0	0
- Add-Back								
- Closing Accumulated Depreciation	377,009	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Closing NBV	0	0	0	0	0	0	0	0
Other Intangible Assets (1609)								
	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Original Costs	122,349	122,349	1,122,349	122,349	1,122,349	1,122,349	1,122,349	1,122,349
- Beginning NBV	111,648	108,589	1,105,530	105,530	1,077,472	1,024,413	971,354	918,295
- Additions			1,000,000	1,000,000				
- Disposals								
- Closing Cost	122,349	122,349	2,122,349	1,122,349	1,122,349	1,122,349	1,122,349	1,122,349
- Opening Accumulated Depreciation	10,701	13,760	16,818	16,818	44,877	97,936	150,995	204,054
- Depreciation Rate								
- Depreciation Expense	3,059	3,059	28,059	28,059	53,059	53,059	53,059	53,059
- Add-Back								
- Closing Accumulated Depreciation	13,760	16,818	44,877	44,877	97,936	150,995	204,054	257,112
- Closing NBV	108,589	105,530	2,077,472	1,077,472	1,024,413	971,354	918,295	865,236
Other Tangible Assets (1990)								
	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
- Original Costs	133,004	133,004	133,004	133,004	133,004	133,004	133,004	133,004
- Beginning NBV	58,229	43,761	29,293	29,293	14,825	357	(0)	(0)
- Additions								
- Disposals								
- Closing Cost	133,004	133,004	133,004	133,004	133,004	133,004	133,004	133,004
- Opening Accumulated Depreciation	74,775	89,243	103,711	103,711	118,179	132,647	133,005	133,005
- Depreciation Rate								
- Depreciation Expense	14,468	14,468	14,468	14,468	14,468	357	-	-
- Add-Back								
- Closing Accumulated Depreciation	89,243	103,711	118,179	118,179	132,647	133,005	133,005	133,005
- Closing NBV	43,761	29,293	14,825	14,825	357	(0)	(0)	(0)

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Land (1805/1905)								
- Original Costs	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
Eliminate Land (transfer to Town)								
- Beginning NBV								
- Additions								
- Disposals								
- Closing Cost	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
- Opening Accumulated Depreciation								
- Depreciation Rate								
- Depreciation Expense								
- Add-Back								
- Closing Accumulated Depreciation								
- Closing NBV	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
TOTAL COSTS	214,468,671	225,453,806	232,266,657	235,528,077	246,109,787	255,639,839	265,169,891	274,699,943
ACCUMULATED DEPRECIATION	87,344,092	92,497,104	97,881,757	98,014,551	103,888,970	110,053,678	116,516,829	123,278,782
TOTAL NBV (excl contr cap)	127,124,579	132,956,702	134,384,900	137,513,527	142,220,817	145,586,161	148,653,062	151,421,161
TOTAL CAPITAL EXPENDITURE	8,489,878	10,985,134	10,069,770	10,074,271	10,581,710	9,530,052	9,530,052	9,530,052
Total Depreciation for the Year (CF)	4,839,195	5,153,012	5,435,704	5,517,446	5,874,420	6,164,707	6,463,152	6,761,953
Less: Amort. Of Capital Contributions	1,105,481	1,105,235	1,106,498	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129
Less: Smart Meter recapture of deprec	-	-	-	-	-	-	-	-
TOTAL - per St. of Cash Flow	3,733,714	4,047,776	4,329,206	4,412,318	4,769,291	5,059,579	5,358,023	5,656,825
Amount Alloc Charged to Other Acct.	251,655	285,785	312,080	318,873	328,882	328,882	328,882	328,882
P&L Depreciation	3,482,059	3,761,991	4,017,126	4,093,445	4,440,409	4,730,697	5,029,141	5,327,943
ACCOUNTS PAYABLE & ACCRUED CHARGES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Accounts Payable Balance	18,198,125	17,051,667	17,969,655	17,821,855	18,253,940	18,624,645	18,994,471	19,363,385
Expenses (COS & Finance Expense)	105,433,751	105,226,881	127,434,354	108,599,549	111,044,804	113,299,921	115,549,701	117,793,928
Accounts Payable Turnover (Days)	63	59	51	60	60	60	60	60
Average No. of Days to Pay	60	61	60	61	60	60	60	60
Turnover Ratio	0.164383562	0.167123288	0.164383562	0.167123288	0.164383562	0.164383562	0.164383562	0.164383562
Payments in Lieu of taxes payable								
Current Year Payables	18,198,125	17,051,667	17,969,655	17,821,855	18,253,940	18,624,645	18,994,471	19,363,385

SALES	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
CUSTOMER DEPOSITS	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Current Portion of Customer Deposits	313,000	313,000	313,000	313,000	313,000	313,000	313,000	313,000
Non-Current Portion of Customer Deposits	3,062,448	3,297,992	3,062,448	3,297,992	3,297,992	3,297,992	3,297,992	3,297,992
Capital Deposits	2,072,243	2,054,184	2,072,243	2,054,184	2,054,184	2,054,184	2,054,184	2,054,184
Other liabilities (Hydro One)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)
Total Customer Deposits	5,413,338	5,630,823	5,413,338	5,630,823	5,630,823	5,630,823	5,630,823	5,630,823
Increase/(Decrease) from Prior Year Balance Hydro One Liability	(382,488)	-	-	-	-	-	-	-
VESTED SICK LEAVE & LIABILITY FOR FUTURE BENEFITS	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Liability for Future Benefits	482,392	496,556	521,755	516,418	537,075	558,558	580,900	604,136
Total	482,392	496,556	521,755	516,418	537,075	558,558	580,900	604,136
Increase/(Decrease) from Prior Year Balance	162,571	14,164	20,068	19,862	20,657	21,483	22,342	23,236
Future Benefits	138500							
Taxes on Future Benefits	-36703							
EQUITY	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Ending Balance of Contributed Capital-TOTAL								
Capital stock	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
Accumulated Operating Surplus, Beginning	23,369,310	24,832,694	26,459,087	27,635,688	28,400,603	28,906,465	29,712,466	30,650,282
Transfer Contributed Capital to Affiliate								
Current Year Net Income	2,963,386	4,302,995	2,112,479	2,264,915	2,005,862	2,306,001	2,437,816	2,583,856
Dividends Paid	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
New Equity			-	-	-	-	-	-
Accumulated Operating Surplus, Ending	24,832,696	27,635,688	27,071,566	28,400,603	28,906,465	29,712,466	30,650,282	31,734,138
TOTAL EQUITY	41,841,604	44,644,596	44,080,474	45,409,511	45,915,373	46,721,374	47,659,190	48,743,046

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F	BF	BJ	BK	BL	BM	BN
	2017 Actual	2018 Actual	2019 Budget	2019 A to date (Aug 19)	2019 Projected	2020 Budget
OUR						
OUR						
OUR						
RIAL						
CONTRACTS	13,405	9,670	14,640	6,460	9,900	12,000
CONTRACT	13,405	9,670	14,640	6,460	9,900	12,000
COSTS	689		1,000		1,200	1,500
ATIONS		450		1,200		
ONS/ADVERTISING			3,000			2,000
SAFETY PROGRAM			4,400			2,000
IS & MEETINGS						
R	689	450	8,400	1,200	1,200	5,500
O&M per FS						
OTION	14,094	10,120	23,040	7,660	11,100	17,500
UR	556,333	528,623	526,347	328,094	477,863	543,793
ERTIME		491				
UR	556,333	529,113	526,347	328,094	477,863	543,793
ITCE CONTRACT	160,046	178,888	195,474	133,702	200,342	204,734
AGENCY COMM	2,949	4,670	5,412	3,713	5,500	5,500
RVICE						
HINE MTCE	10,783	11,861	14,461	8,316	12,474	13,722
RVICES						
ONSULTING SERVICES	114,323	78,472	74,653	44,334	68,713	65,560
RVICES	8,226	7,520	7,628	4,700	7,027	7,378
ONTRACT	296,327	281,412	297,627	194,765	294,056	296,894
	350			917	1,000	1,000
ARKING	105	141	2,700	92	92	2,700
ES	1,169	35	2,000		500	3,000
MINARS,SCHOOL	295	1,945	4,900		4,650	7,550
	16					
LLS	10,123	3,273	6,546	5,237	8,978	8,000
OTICES	5,747	1,644				
OTICES						
NG SHEETS/CARD						
ELOPES	10,643	12,730	12,945	5,870	12,000	12,000
ELOPES	715	1,654	2,073	2,626	2,626	2,000
MS & LETTERS						
CE SUPPLIES	2,444	3,050	5,000	1,943	3,331	4,000
CE EQUIPMENT	53		1,000			
	224,971	222,184	239,975	143,547	215,320	226,086
	15,908	15,628	16,780	10,133	15,086	18,840
PENSE	45,667	63,094	50,000		70,000	73,500
ENT INSURANCE	4,084	3,682	5,644	2,883	4,942	4,500
COSTS						
	322,289	329,060	349,564	173,248	338,524	363,177

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F	BF	BJ	BK	BL	BM	BN
	2017 Actual	2018 Actual	2019 Budget	2019 A to date (Aug 19)	2019 Projected	2020 Budget
PLING	1,174,950	1,139,585	1,173,538	696,107	1,110,444	1,203,864
OUR						
OUR	112,121	93,896	116,354	44,212	57,475	119,128
OUR						
OUR	112,121	93,896	116,354	44,212	57,475	119,128
OUR Probing	21,124	28,959	30,775	16,318	22,893	22,907
INTERVAL METER READING-						
MTCE CONTRACT	135,618	134,104	140,305	90,204	135,305	157,798
- Mixed Mode support						
	16,783	10,448	10,497	7,146	12,250	13,000
CONTRACT	173,625	173,511	181,577	113,668	170,448	193,705
MS & LETTERS						
ER						
ER READING	285,646	267,407	297,931	157,879	227,924	312,833
OUR	330					
OUR	434,119	425,268	446,679	278,572	402,813	461,091
OUR BURDEN						
ERTIME						
ERTIME	150					
OUR	434,599	425,268	446,679	278,572	402,813	461,091
INAL READS						
RVICES			1,000		1,000	1,000
(BCONTRACT)						
(BCONTRACT)						
ONTRACTS						
ONTRACT			1,000		1,000	1,000
ORKING			800		0	800
ES	400	35	1,000	400	400	1,000
MINARS, SCHOOL						
MINARS, SCHOOL	4,439	814	3,800		0	3,800
MS & LETTERS						
MS & LETTERS	184		200		200	200
ICE SUPPLIES						
ICE SUPPLIES	64					
R	5,087	849	5,800	400	600	5,800
S	439,686	426,116	453,479	278,972	404,413	467,891
OUR	122,095	103,320	123,067	76,361	111,008	128,193
ERTIME	84					
OUR-EMERGENCY						
OVERTIME	181	43				
OUR	122,361	103,363	123,067	76,361	111,008	128,193
		14				
HAND DELIVER	53,192	50,330	50,375	31,607	47,982	22,817
RVICES						
(BCONTRACT)						
RANCE	100,886	66,870	100,000	50,328	86,277	90,000
CT COLLECTIONS	41,195	40,320	42,336	26,880	40,320	42,336

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F	BF	BJ	BK	BL	BM	BN
	2017 Actual	2018 Actual	2019 Budget	2019 A to date (Aug 19)	2019 Projected	2020 Budget
CONTRACT	195,273	157,534	192,711	108,815	174,579	155,153
PARKING	796	180	1,000		112	1,000
NS & MEETINGS		151	0		200	200
MINARS, SCHOOL		150	150	195	195	150
NOTICES (NEW 2009)	1,211	1,287		222	1,300	1,500
OFFICE SUPPLIES	3,084	3,216	3,368	845	3,200	3,200
OFFICE EQUIPMENT	1,316			1,596	2,000	2,000
	263	236	255	153	250	250
SHORT	-72	-102	100	32	50	50
DISCOUNTS						
TOTAL	6,697	6,119	4,873	3,042	7,307	8,350
RECTIONS	324,231	266,016	320,651	188,218	292,893	291,696
Entertainment				1,833	4,000	5,000
TOUR	960,445	993,212	1,297,131	691,736	979,239	1,220,360
RANGE	9,420	10,530	13,500	7,269	13,500	13,500
PARKING, AIRFARE	2,663	369	5,600	1,052	1,697	5,100
NS & MEETINGS	25,711	25,653	29,500	22,620	34,133	12,700
MINAR, SCHOOL	104	8,740	14,130	15,207	21,654	6,000
UTIVE EXPENSES	998,342	1,038,503	1,359,861	739,716	1,064,223	1,262,660
TOUR	791,596	827,171	902,885	595,776	876,608	959,185
ENSES TRANSFERED	-100,200	-109,176	-135,984	-101,667	-152,501	-156,923
ERTIME	376					
RANCE						
TOTAL	691,772	717,995	786,901	494,109	724,108	802,262
NTCE HDWR CONTRACT		4,246		2,757	4,726	4,800
NTCE CONTRACT	51,553	62,491	73,527	44,499	67,149	72,175
RVICE	851	285	525	226	388	400
E	1,211	1,322	1,612	927	1,590	1,500
R MTCE	6,159	5,262	5,262	3,947	6,000	6,000
FEES	32,211	79,262	74,724	46,388	65,500	80,300
RVICES	50					
FEES	232,499	263,358	266,945	194,389	315,059	331,273
ONSULTING - REG						
LATORY EXPENSES						
T EXPENSES (OEB)	114,200	108,350	119,000	62,000	105,450	307,500
OSTS						
IM CONSULTING						
CT	2,292	2,423	2,657	960	2,500	2,500
CONTRACTS	441,025	527,000	544,252	356,092	568,361	806,448
MINAR SCHOOL						
	54	14	500	284	400	400
S & DUES	90,359	86,650	91,041	48,750	89,675	93,211
LIES	4,599	4,413	4,831	3,656	5,303	5,568
TIONS	51,941	40,757	44,700	22,705	45,350	46,400
KING, AIRFARE	1,994	1,084	3,250	586	793	3,750
S & MEETINGS	13,863	15,122	23,350	3,058	17,909	26,950
MINAR, SCHOOL	6,048	9,337	5,000	7,065	7,065	8,150
	16	8	500		50	50
LETTERHEAD	2,108	1,383	1,500	2,224	2,500	2,500

2020 Administration Analysis.xlsx

5.20

F	BF	BJ	BK	BL	BM	BN
	2017 Actual	2018 Actual	2019 Budget	2019 A to date (Aug 19)	2019 Projected	2020 Budget
FORMS & LETTERS	1,159	3,101	3,072	677	2,000	2,000
OFFICE SUPPLIES	13,617	15,989	16,869	6,506	13,973	14,671
OFFICE EQUIPMENT	5,043	4,187	5,250	2,982	5,112	5,368
	5,045	6,050	7,393	2,018	3,459	3,632
	53,649	55,655	58,662	36,122	53,212	58,873
TRAVEL	25,547	27,016	28,493	18,068	30,973	32,522
INSURANCE	96,205	101,700	106,785	63,503	108,862	114,305
ACCIDENT INSURANCE	4,465	4,000	6,238	3,154	5,407	5,677
ACCIDENT INSURANCE	16,840	18,116	18,459	11,361	19,476	20,450
PAY ACCRUAL						
FUTURE BENEFITS	25,702	17,757	28,944		18,391	18,924
LOAD TRANSFER						
CONTRIBUTIONS/ADVERTISING	799					
CONTRIBUTION FEE	800	800	800	800	800	800
FORWARD	3,984	2,793	5,000	805	2,500	2,500
CONTRIBUTIONS/ADVERTISING	1,393	3,155	2,978	1,047	2,606	2,736
ADJUSTMENT						
TRANSFER RECONCILIATION						
FEES & DUES			0	2,134	0	0
PLAN	227,530	250,816	275,267	193,394	291,494	245,453
PAYMENT						
CONTRIBUTION FEE	22,833	20,434	25,000	38,671	89,977	111,541
FEES						
99 LAWSON						
CONTRIBUTION FEE						
GENERAL ADMIN	675,592	690,336	763,882	469,569	817,287	826,431
GENERAL ADMIN	1,808,389	1,935,331	2,075,034	1,319,770	2,109,756	2,435,140
	56,242	55,656	58,439	26,415	56,608	37,250
	39,075	27,829	29,766	15,961	33,157	13,567
LABOR	95,317	83,485	88,205	42,376	89,765	50,817
PARKING	1,252	2,591	2,500	874	874	2,500
FEES	8,048	742	10,000	2,564	5,232	7,000
ENTERTAINMENT				2,159	3,238	3,500
ACCIDENT INSURANCE						
OTHER	9,300	3,333	12,500	5,597	9,344	13,000
TOTAL	104,617	86,818	100,705	47,973	99,109	63,817
LABOR - OT		503				
LABOR	67,115	69,392	148,854	45,742	61,853	145,183
LABOR	67,115	69,895	148,854	45,742	61,853	145,183
	28,790	26,042	26,421	20,474	35,098	35,000
MATERIAL	28,790	26,042	26,421	20,474	35,098	35,000
EVAL	24,350	24,550	29,925	17,100	28,500	28,500
SERVICE	48,975	48,234	53,463	33,628	50,442	51,956
FIRE, SEPTIC	9,864	21,422	17,406	12,445	16,801	19,112
TRACT						

E	F	G	H	I	J	K	L	M	N
									164,369
									114,640
2020 Administration Analysis.xlsx									5.21

	BF	BJ	BK	BL	BM	BN
	2017 Actual	2018 Actual	2019 Budget	2019 A to date (Aug 19)	2019 Projected	2020 Budget
ACT-MAINTENANCE	38,666	95,841	60,000	55,473	135,355	75,000
SYSTEM MTCE	1,939	640				
OFFICE SUPPLIES		554	750	496	500	500
CONTRACT	123,794	191,335	161,543	119,143	231,599	175,068
	132,167	144,775	149,113	103,289	159,581	
WATER, SEWAGE	104,386	13,326	12,333	65,418	111,301	
TRANSFERS TO MHTI						
OPERATIONAL	236,553	258,101	261,446	168,707	270,883	279,009
General Plant						
	456,252	545,373	598,265	354,066	599,433	634,259
TOTAL	5,608,207	5,715,269	6,402,504	3,790,360	5,909,294	6,689,660
	-4.3%	1.9%			3.4%	

	2017 Actual to Projected	2018 Actual to Projected	2019 Budget to 2018 Projected	2019 Projected to 2019 Budget	2020 Budget to 2019 Projected
	54,165	(20,551)	89,162	(206,080)	281,199
Executives/Car Allowance	9,330	28,335	335,224	(317,892)	241,120
	(12,678)	(8,630)	15,820	16,227	-
Retirement Benefits	(1,016)	(2,207)	-	(2,500)	-
	-	-	-	-	-
Fee	(1,000)	264	87	(372)	130
	#N/A	(520)	13,367	(1,596)	(35,292)
	6,478	(3,008)	45,542	(9,301)	30,039
Costs	(8,000)	(50)	10,600	(13,550)	202,050
Consulting Fees	(8,113)	24,726	28,313	48,114	16,213
Misc	16,218	(4,929)	32,458	(15,626)	26,107
Printing Fees	1,848	1,566	(2,253)	(5,940)	(3,153)
Printing Costs	(9,178)	(791)	8,748	(2,032)	2,379
	(6,363)	1,497	19,288	(24,655)	10,766
Shipping/Hand deliver	4,621	2,004	4,819	(8,522)	(24,401)
Printing/Reading	-	-	-	-	-
Services	(159)	(107)	-	(601)	351
	-	-	-	-	-
	(34,855)	4,538	-	(9,224)	14,800
Insurance	-	(33,130)	-	(13,723)	3,723
	-	-	-	-	-
Insurance + SM Metering	7,906	498	23,284	(132)	26,885
Telephone	(82)	(1,286)	1,315	(1,987)	1,247
Supplies - others	(8,862)	6,154	23,554	(13,026)	24,176
Conference - exec	(203)	7,072	21,541	8,253	(33,683)
Expense	(9,081)	21,263	8,170	20,000	3,500
Travel and Dues	(104)	-	-	-	-
	-	5	4,343	10,468	4,787
Union	(1,695)	(5,520)	7,400	(11,940)	6,400
Collecting /Credit Agency	750	(250)	2,508	(1,928)	2,016
Other misc	936	1,187	253	3,082	200
Penalties	-	-	-	-	-
TOTAL	N/A	18,130	693,543	(554,481)	755,521

Contingency Increases	1.90%	1.20%		1.50%	1.50%
Commission	6,109,962	6,183,281		6,276,031	6,370,171

Milton Hydro Distribution Inc.
Capital Expenditures

Capital Expenditures

	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
	2017 Actual	2018 Actual	2019 Budget	2019 Projected	2020 Budget	2021 Budget	2022 Budget	2023 Budget
System Access	1,344,514		1,719,914	2,225,064	6,153,621	1,880,000	1,880,000	1,880,000
System Renewal	2,251,090		2,357,548	1,911,528	1,436,270	1,539,052	1,539,052	1,539,052
System Access	1,360,039		2,596,708	2,292,294	790,720	3,345,000	3,345,000	3,345,000
Subdivision Costs	3,078,183		2,520,000	2,570,492	2,520,000	2,520,000	2,520,000	2,520,000
Total Distribution Expenses	8,033,825	9,874,760	9,194,170	8,999,378	10,900,610	9,284,052	9,284,052	9,284,052
NBV Removals	(770,626)	(404,135)	(350,000)	(650,000)	(650,000)	(450,000)	(450,000)	(450,000)
Building for New Headquarters	74,555	55,832		307,160	130,000			
Building - work in progress								
WIP	336,388	164,901						
Other Capex - Replacement & Refurbishment/Treasure TS			1,000,000	1,000,000				
Non-Growth Related Capex	(359,683)	(183,402)	650,000	657,160	(520,000)	(450,000)	(450,000)	(450,000)
Total Transmission and Distribution Capital Expenditures	7,674,142	9,691,358	9,844,170	9,656,538	10,380,610	8,834,052	8,834,052	8,834,052
Total Other Capital Expenditures (office eqmt, tools)	815,735	1,293,776	225,600	417,733	201,100	696,000	696,000	696,000
Total Land Capital Expenditures								
GROSS CAPITAL EXPENDITURES	8,489,877	10,985,134	10,069,770	10,074,271	10,581,710	9,530,052	9,530,052	9,530,052
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers			0	0	0	0	0	0
Capital Contributions Received - Growth-Related	-2,879,515	-2,920,318	-2,304,793	-2,744,710	-3,896,419	-2,520,000	-2,520,000	-2,520,000
Capital Contributions Received - Non-Growth Related			0	0	0	0	0	0
Total Capital Contributions - net	-2,879,515	-2,920,318	-2,304,793	-2,744,710	-3,896,419	-2,520,000	-2,520,000	-2,520,000
Net Capital Expenditures - Net Impact on Cash Flow	5,610,362	8,064,816	7,764,977	7,329,561	6,685,292	7,010,052	7,010,052	7,010,052

Tab Ref #	Category	Job Type	Work Order Number	Job Name	2020 Total Budget		
					Job Total (Gross)	Capital Contribution	Job Net
System Access							
SA-Roads				Capital Road Projects	\$5,741,501	\$2,919,524	\$2,821,977
	SA-Roads	Planned	HCP50415	ROH: Britannia Rd Reconstruction, RR25 to JSP (deferred to 2021)	\$0	\$0	\$0
191	SA-Roads	Planned	HCP50392	TOM: Main St, JSP to 5th Line	\$314,204	\$66,112	\$248,092
195	SA-Roads	Planned	HCP50855	TOM: Bronte St. Main to Steeles - Reconstruction	\$2,855,702	\$2,110,455	\$745,247
197	SA-Roads	Planned	HCP50885	ROH: Britannia Rd Reconstruction JSP to 407	\$2,085,864	\$607,882	\$1,477,982
198	SA-Roads	Planned	HCP50147	ROH: Tremaine Rd, Steeles to 3 Side Road	\$485,731	\$135,075	\$350,656
SA-Services				General Service & Metering Connections	\$1,492,120	\$476,895	\$955,225
190	SA-Services	Planned	Various	Customer Connections - General Service & Others	\$539,520	\$476,895	\$56,825
191	SA-Services	Planned	Various	Meter Reverification Program	\$654,900	\$0	\$654,900
191	SA-Services	Planned	Various	Condo - New Installs	\$0	\$0	\$0
191	SA-Services	Planned	Various	Commercial/Industrial Meter Installs < 200kVA	\$133,000	\$0	\$133,000
191	SA-Services	Planned	Various	Commercial/Industrial Meter Installs > 200kVA	\$110,700	\$0	\$110,700
192	SA-Subdivisions			New Residential Subdivisions	\$1,500,000	\$0	\$1,500,000
Total System Access					\$8,673,621	\$3,396,419	\$5,277,202
System Renewal							
SR-Overhead				Overhead Distribution Replacement Program	\$501,649	\$0	\$501,649
200	SR-Overhead	Planned	Various	Pole Replacement Program	\$329,098	\$0	\$329,098
201	SR-Overhead	Planned	HCP50913	Porcelain to Poly replacement program	\$86,832	\$0	\$86,832
206	SR-Overhead	Reactive	Various	Reactive OH Replacement of defective/damaged equipment	\$85,719	\$0	\$85,719
202	SR-Overhead	Planned	Various	Overhead Transformer Replacement Program	\$0	\$0	\$0
SR-Underground				Underground Distribution Replacement Program	\$433,652	\$0	\$433,652
202	SR-Underground	Planned	Various	Padmounted Transformer Replacement Program	\$0	\$0	\$0
203	SR-Underground	Planned	Various	Switchgear Replacement Program	\$120,392	\$0	\$120,392
206	SR-Underground	Reactive	Various	Reactive UG Replacement of defective/damaged equipment	\$48,135	\$0	\$48,135
204	SR-Underground	Planned	Various	Derry Rd Conversion + Mushroom regulator	\$265,125	\$0	\$265,125
204	SR-Underground	Planned	Various	3 Phase Regulator Replacement	\$0	\$0	\$0
SR-Meters				Meter Replacement Program	\$500,969	\$0	\$500,969
205	SR-Meters	Planned	Various	Proactive Meter Replacements	\$337,984	\$0	\$337,984
205	SR-Meters	Reactive	Various	Reactive Meter Replacements	\$70,415	\$0	\$70,415
205	SR-Meters	Planned	Various	Meter Room Upgrades - Cell Modems	\$92,570	\$0	\$92,570
Total System Renewal					\$1,436,270	\$0	\$1,436,270
System Service							
SS-Automation				System Automation Program	\$790,720	\$0	\$790,720
300	SS-Automation	Planned		Automated Switches - Vipers	\$221,952	\$0	\$221,952
300	SS-Automation	Planned		Automated Fault Indicators - Overhead	\$39,488	\$0	\$39,488
300	SS-Automation	Planned		Automated Switchgear Upgrade Program	\$237,856	\$0	\$237,856
300	SS-Automation	Planned		Automated Fault Indicators - Underground	\$0	\$0	\$0
300	SS-Automation	Planned		WiFiMax Deployment for SCADA Devices	\$71,424	\$0	\$71,424
300	SS-Automation	Planned		Survallent SCADA System	\$80,000	\$0	\$80,000
300	SS-Automation	Planned		Survallent OMS	\$140,000	\$0	\$140,000
SS-System Expansion				System Expansion	\$0	\$0	\$0
301	SS-System Expansion	Planned		Halton TS II - CCEA Downpayment	\$0	\$0	\$0
301	SS-System Expansion	Planned		Halton TS II - Transformers	\$0	\$0	\$0
Total System Service					\$790,720	\$0	\$790,720
General Plant							
401	GP-Building & Office Equipment	Planned		Building - Elevator	\$130,000	\$0	\$130,000
401	GP-Rolling Stock	Planned		Vehicle Replacement Program	\$0	\$0	\$0
402	GP-Stores & Major Tools	Planned		Stores Equipment & Major Tools	\$72,600	\$0	\$72,600
402	GP-Stores & Major Tools	Planned		Stores Equipment - 1935 Totals:	\$27,300	\$0	\$27,300
402	GP-Stores & Major Tools	Planned		Tools, Shop and Garage Equipment - 1940 Totals:	\$45,300	\$0	\$45,300
411	GP-Hardware	Planned		Computer Hardware	\$82,500	\$0	\$82,500
411	GP-Software	Planned		Computer Software	\$46,000	\$0	\$46,000
Total General Plant					\$331,100	\$0	\$331,100
Total Capital					\$11,231,710	\$3,396,419	\$7,835,292

6.3

Milton Hydro Distribution Inc.
2019P 2020B Hardware & Software Budget

A/C 1920 & 1611
Hardware

	2018 Actual	2019 Budget	2019 Projection	2020 Budget
iPads for inspectors (2)		\$ 1,000		
Bar Code Readers			\$ 5,000	\$ 5,000
Protector		\$ 3,500		
Mobile Inspection		\$ 5,000		
Control Room				\$ 30,000
Desktops / PC / Laptops		\$ 8,600	\$ 19,000	\$ 16,000
FieldSense Hardware		\$ 4,500		\$ 4,500
Servers		\$ 50,000	\$ 52,383	\$ 25,000
Monitors		\$ 5,000	\$ 1,500	
Toughbook Metering		\$ 3,000	\$ 2,171	
Dell Systems			\$ 6,856	
Beyond Trust Remote Access HW				\$ 2,000
Fortinet & Fortcare 5yr (Firewall)		\$ 15,000	\$ 27,831	
	<u>\$ 81,671.45</u>	<u>\$ 95,600.00</u>	<u>\$ 114,740.65</u>	<u>\$ 82,500.00</u>
			20%	

Software

HCP50934, 50570, 50377

SCADA Implementation (Survalent)	\$ 244,125.53			
CYME Gateway SW	\$ 136,755.39		\$ 8,348	
StarWind VSAN	\$ 5,664.50			
Elster Solutions project services	\$ 63,565.00			
MS RDS License	\$ 1,895.40			
ArcGIS User License	\$ 12,915.00		\$ 4,745	
ARCGIS online Maps	\$ 31,715.68		\$ 40,000	
SmartVu User License Unlimited	\$ 19,712.33		\$ 12,000	
Kentico Software Website License	\$ 13,391.66			
MS Server Licenses		\$ 18,000	\$ 29,806	\$ 10,000
Starwind		\$ 8,000		
Mobile Inspection		\$ 5,000		
FieldSense		\$ 4,000		
Microsoft Win Server pro Loc			\$ 5,685	\$ 6,000
MS Security Center		\$ 43,000		
MS SQL Server for MV90				\$ 10,000
OMS Customer email				
Survalent FLSIR - Auto Switch				
Beyond Trust Remote Access SW				\$ 20,000
Utilismart - SW License 5 year				
Utilismart - One Time				
	<u>\$ 550,748.19</u>	<u>\$ 76,000.00</u>	<u>\$ 100,562.70</u>	<u>\$ 46,000.00</u>

New Capital WO

<u>\$ 632,419.64</u>	<u>\$ -</u>	<u>\$ 171,600.00</u>	<u>\$ 215,303.35</u>	<u>\$ 128,500.00</u>
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10.5

ATTACHMENT 1-3

MILTON HYDRO BUDGET 2021 AND LRF FOR 2022-2024



Milton Hydro

**Budget 2021 and LRF for
2022-2024**

Milton Hydro Distribution Inc.

Budget Meeting -
November 17, 2020

Agenda for Budget Meeting – November 2020

- Key Assumptions
- MHDI Status
- Risk Factors Impacting Financial Forecast

Key Revenue Budget Assumptions

▶ Revenue Growth Assumptions - Residential:

- = Utilized the Town of Milton's growth projections for residential development adjusted for confirmations from major builders of expected growth.
 - 2020P – Projected addition of 700 residential units (budgeted 1,000)
 - 2021B to 2025 – Budgeted addition of 1,000 residential units annually
- = Average monthly consumption for residential customers is forecast to be 791 kWh/month for 2020 and an average of 766 kWh/month for 2021B. After April 30, 2019, distribution revenue became based on a 100% fixed monthly distribution rate.
- = COVID-19 Pandemic caused increase of kWh volumes for residential class, but revenues did not increase due to fully fixed rates.



Key Revenue Budget Assumptions – con't

➤ Revenue Assumptions – GS < 50 kW:

- = 2021B Growth is based on 105 net new customers in year with average monthly consumption of 2,434 kWh (2020P, 88 customers, 2,456 kWh). Distribution revenue for GS < 50 kW class is based on a volumetric (kWh) rate and a fixed monthly service charge.
- = In 2020P, COVID-19 pandemic caused volume reduction of 6.7% vs. 2018/2019 levels. Continuing lower levels of consumption expected in 2021 Budget.

➤ Revenue Assumptions – GS > 50 kW to 999 kW:

- = 2021B Growth is based on 2 new customers in year with average monthly demand of 137 kW (2020P - 2 new customers with average monthly demand of 136 kW). Distribution revenue for GS > 50 to 999 kW class is based on volumetric demand (kW) rate and a fixed monthly service charge.
- = In 2020P, COVID-19 pandemic caused volume reduction of 8.2% vs. 2018/2019 levels. Continuing lower levels of demand expected in 2021 Budget.



Key Revenue Budget Assumptions – con't

➤ Revenue Assumptions – GS > 1000 kW:

- = For 2020P, revenue based on 15 existing customers with average monthly projected demand of 1,646 kW per customer. For 2021B, average monthly demand is forecast at 1,681 kW with no new customers. Distribution revenue for GS > 1000 kW class is based on a volumetric demand (kW) rate and a fixed monthly service charge.
- = In 2020P, COVID-19 pandemic caused volume reduction of 5.0% vs. 2018/2019 levels. Somewhat lower levels of demand expected in 2021 Budget.

➤ Revenue Assumptions – Large User (> 5000 kW):

- = Three Large Users in this class, (Magna, Modatek, Roxul). For 2020P, revenue based on average monthly projected demand of 7,316 kW per customer. For 2021B, average monthly demand is forecast at 7,650 kW. Distribution revenue for Large User (> 5000 kW) class is based on a volumetric demand (kW) rate and a fixed monthly service charge.
- = In 2020P, COVID-19 pandemic caused a volume reduction of 4.4% vs. 2018/2019 levels. Reductions mainly took place during months of April and May 2020. Demand back to normal levels since then.

Key Budget Assumptions – con't

Rate Assumptions:

➤ Annual Adjustment to Distribution Rates – All Customer Classes:

- Distribution rates
 - May 1, 2019 – based on approved IRM of 1.20% (1.5% inflation - .30% stretch);
 - May 1, 2020 based on approved IRM of 1.85% (2.0% inflation - .15% stretch);
 - May 1, 2021 based on approved IRM of 2.04% (2.19% inflation - .15% stretch);
 - May 1, 2022 to December 2024 – 1.10% (based on an estimated inflation factor of 1.25% less stretch factor of .15%); increase effective May 1, each May 1 thereafter during forecast period

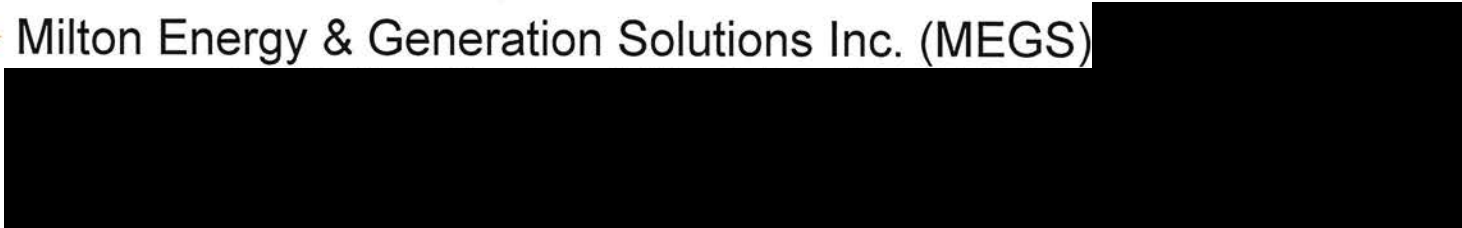
Distribution Revenue by Class

	# of Customers / Billing			Billing Determinants (kWh/kW)			Net Revenue		
	2020Proj	2021	Diff	2020Proj	2021	Diff	2020Proj	2021	Diff
Residential	38,021	39,021	1,000	357,798,435	354,493,550	-0.9%	\$12,871,864	\$13,428,551	\$556,686
GS< 50kW	2,781	2,886	105	81,478,608	84,846,150	4.1%	2,088,303	2,222,617	\$134,313
GS>50kW	355	357	2	573,364	583,674	1.8%	2,120,228	2,197,739	\$77,511
GS>1000kW	15	15	0	288,102	302,606	5.0%	599,564	641,697	\$42,133
Large Use	3	3	0	263,386	275,411	4.6%	498,733	527,166	\$28,433
Streetlight	0	0	0	14,452	7,482	-48.2%	253,797	134,201	(\$119,596)
Sent Light	0	0	0	384	384	0.0%	30,559	31,163	\$604
MicroFit	0	0	0	n/a	n/a	n/a	37,510	37,879	\$369
	41,175	42,282	1,107				\$18,500,558	\$19,221,012	\$720,454

Key Budget Assumptions – con't

Other Income:

- Milton Energy & Generation Solutions Inc. (MEGS)



- MEGS has contracted with MHDl to provide the billing and customer service/collection services. (NOTE: 1.9% increase effective June 1, 2020 and 1.9% every June 1st thereafter during the for each year of the 5-year contract period)
- Effective June 1, 2017 MHDl is billing MEGS based on a fully allocated cost plus return of \$3.42 per bill. MHDl has assumed the following rates and percent increases effective June 1st in each year of the forecast.

	June 1, 2018 to May 31, 2019	June 1, 2019 to May 31, 2020	June 1, 2020 to May 31, 2021	June 1, 2021 to May 31, 2022
MHDl Bill Fee charged to MEGS	\$ 3.49	\$ 3.56	\$ 3.63	\$ 3.70
Percent Increase	2.05%	2.01%	1.97%	1.93%

Key Budget Assumptions – con't

➤ OM&A Assumptions:

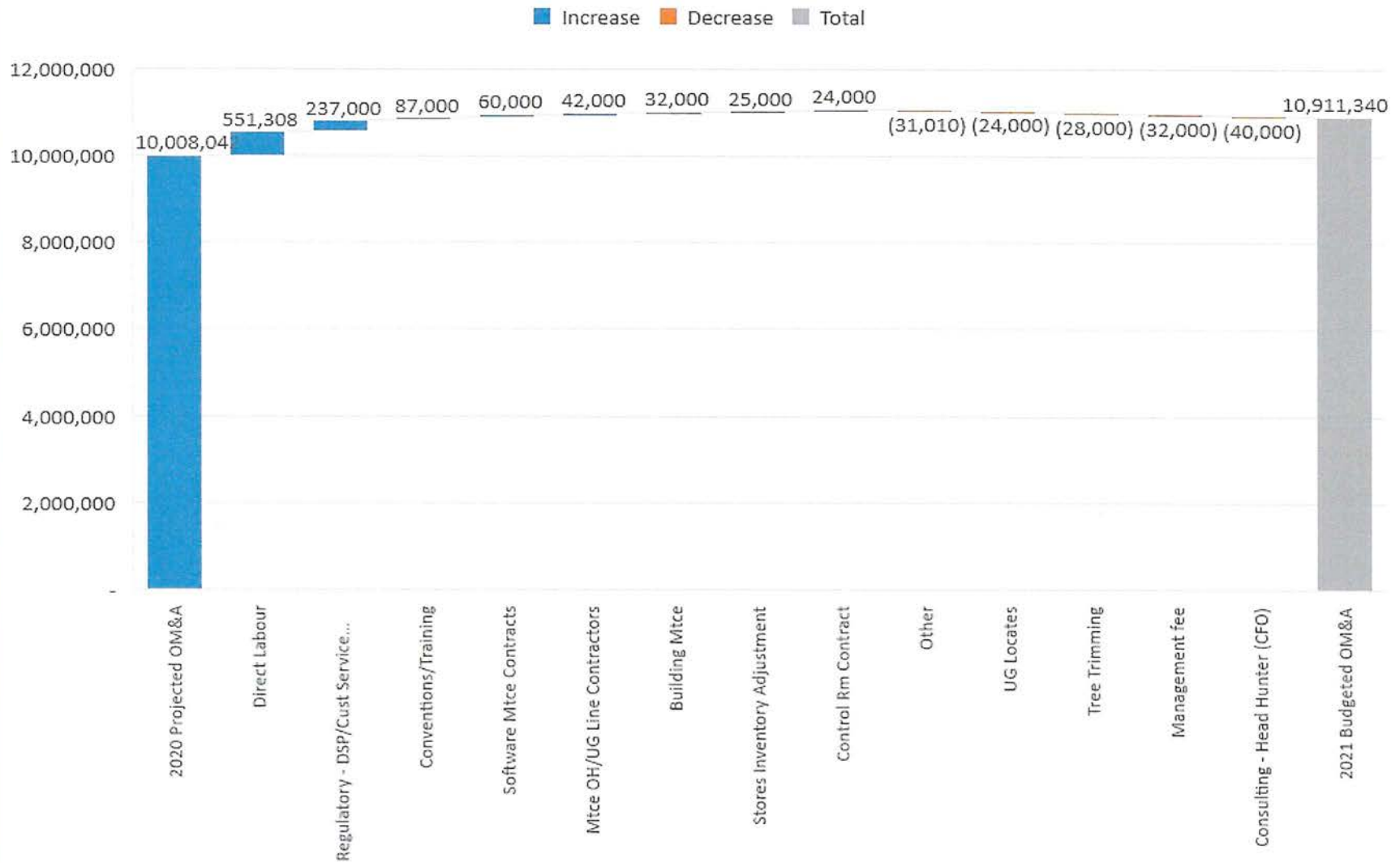
- Headcount – 52 (FTE) staff by end of 2020P; headcount increases have been budgeted as follows during the forecast period:

➤ 2020 P–	Financial Specialist (new) & Purchasing Manager (new)
➤ 2021 –	4 additions: Communications Officer (new); Ops Supervisor (vacant); 2 New Apprentice Lineman (new)
➤ 2022 -	one (1) new addition
➤ 2023 –	one (1) new addition
➤ 2024 -	one (1) new addition

- For 2021, compensation reflects an increase of 2.0% for bargaining unit staff based on the current Collective Agreement and an estimate for total compensation relating to management staff (inflation plus progression, if applicable – 2.5%). The 4-year collective agreement signed in 2017 expires on December 31, 2020.
- Controllable expenses are assumed to increase by 2.5% for each of 2022 through to 2024.

Key Budget Assumptions – con't

2020P vs 2021B OM&A



Key Budget Assumptions – con't

2020 Projected and 2021 Budget

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Net Distribution Revenue	\$ 17,651,774	\$ 18,203,473	\$ 18,932,283	\$ 18,500,558	\$ 19,221,012
Other Income (incl Finance Income)	\$ 2,607,092	\$ 2,071,882	\$ 2,287,011	\$ 2,154,280	\$ 2,407,150
Controllable Expenses	\$ 9,488,241	\$ 10,081,958	\$ 10,612,469	\$ 10,008,042	\$ 10,911,340
Depreciation	\$ 3,761,991	\$ 4,100,681	\$ 4,440,409	\$ 4,573,257	\$ 4,971,490
Interest	\$ 2,606,634	\$ 2,866,800	\$ 2,787,353	\$ 2,761,067	\$ 2,803,038
Removals	\$ 25,965	\$ 49,291	\$ 650,000	\$ 650,000	\$ 350,000
Net Income Before Tax & Reg Movement	\$ 3,318,028	\$ 5,918,878	\$ 2,729,062	\$ 2,662,472	\$ 2,592,294
Total PILS	\$ 1,270,930	\$ 721,235	\$ 723,200	\$ 705,616	\$ 687,000
Regulatory Movement/Taxes	\$ (2,255,898)	\$ 3,199,674	\$ -	\$ -	\$ -
Other Comprehensive loss					
Net Income After Tax & Regulatory Movement	4,302,996	1,997,969	2,005,862	1,956,856	1,905,294
% increase (decrease)	45.2%	-53.6%	0.4%	-2.4%	-2.6%

2020 Projected net earnings after tax of \$1,956,856 is estimated to be \$49,006 lower than 2020 Budget.

- lower Controllable Expenses - \$604,427
- lower Interest Expenses - \$26,286
- lower PILS - \$17,584

Offset by:

- lower Other Income - \$132,731
- lower Distribution Revenue - \$431,725
- higher Depreciation - \$132,848

2021 Budgeted Net earnings after tax of \$1,905,294 is forecast to be \$51,562 lower than 2020 Projected.

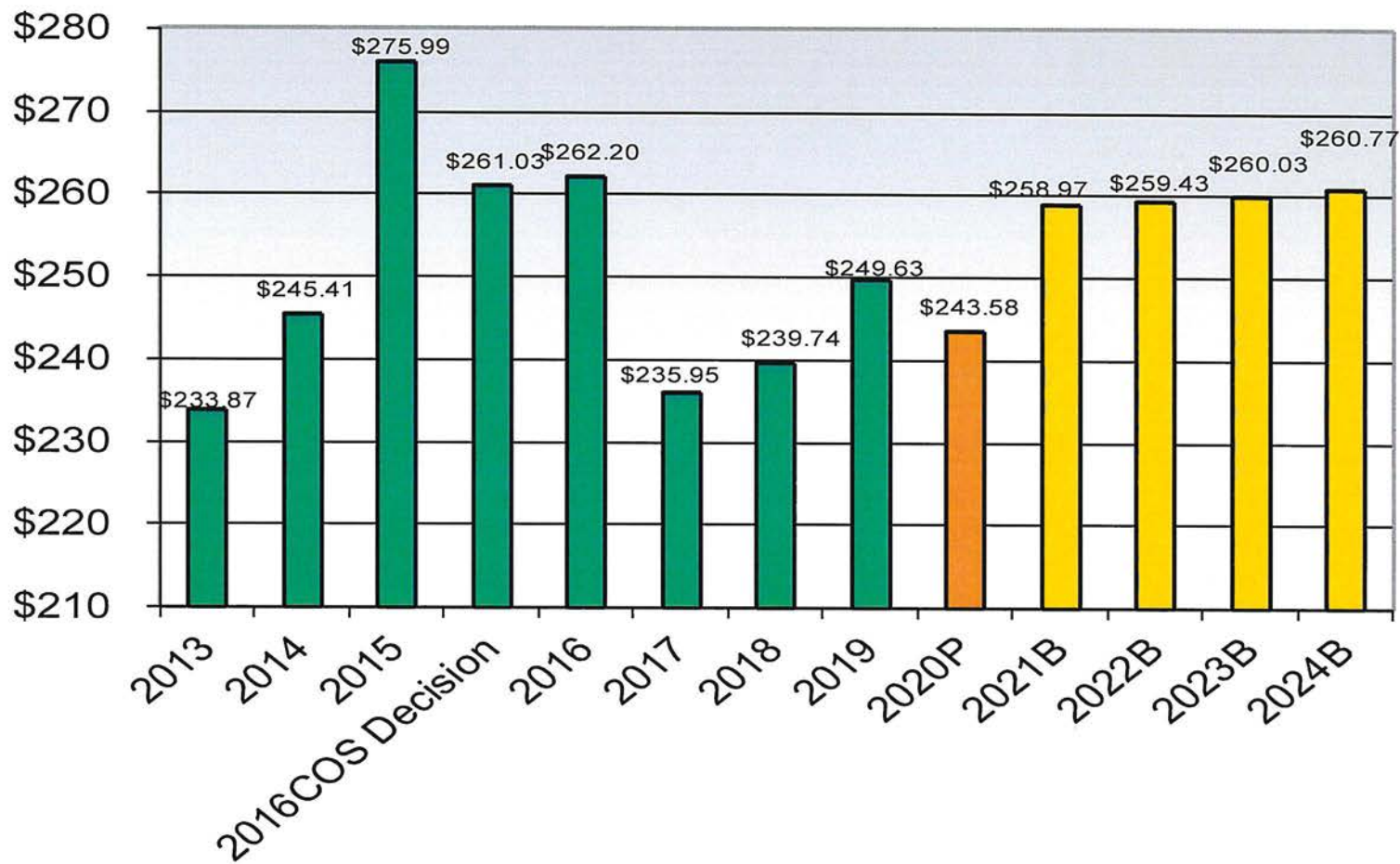
- higher Controllable Expenses - \$903,298
- higher Depreciation Expense - \$398,233
- higher Interest Expense - \$41,971

Offset by:

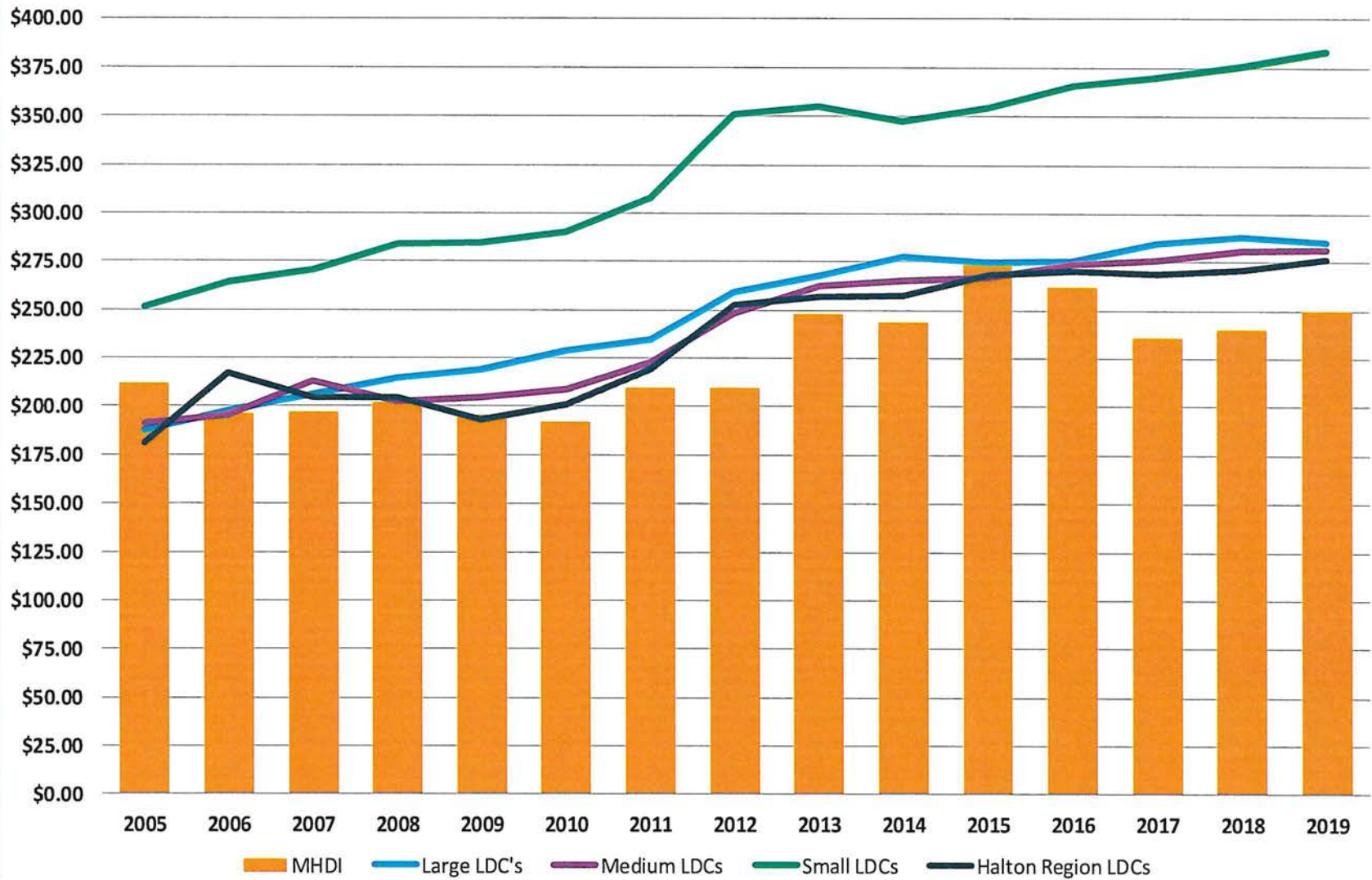
- higher Distribution Revenue - \$720,454
- higher Other Income - \$252,870
- lower PILS - \$18,616

lower Removal Costs - \$300,000

OM&A per Customer



OM&A Per Customer



Key Budget Assumptions – con't

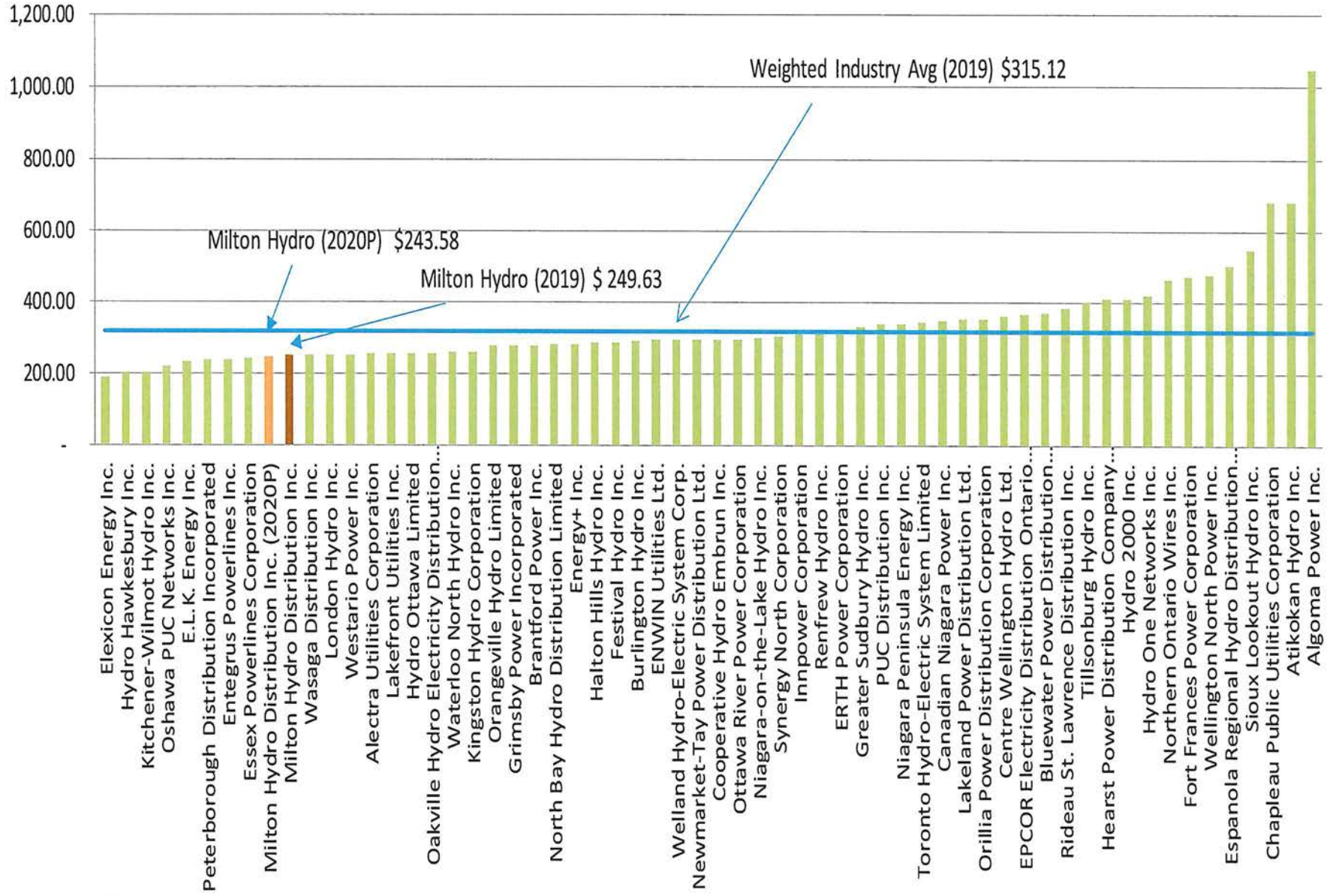
Milton Hydro/Peer Group – OM&A per Customer:

Mid-Size GTA Medium-High & High Undergrounding (as per the OEB Year Book Statistics)	OM&A per Customer 2011	OM&A per Customer 2012	OM&A per Customer 2013	OM&A per Customer 2014	OM&A per Customer 2015	OM&A per Customer 2016	OM&A per Customer 2017	OM&A per Customer 2018	OM&A per Customer 2019	OM&A per Customer 2020P	OM&A per Customer 2021B
Kitchener-Wilmot Hydro Inc.	154.69	189.02	186.18	186.70	178.78	186.10	191.43	204.76	202.23		
Oshawa PUC Networks Inc.	191.13	210.65	207.71	204.78	211.45	220.83	227.05	234.08	220.36		
Milton Hydro Distribution Inc.	209.83	209.19	247.59	243.34	275.99	262.20	235.96	239.73	249.63	243.58	258.97
Oakville Hydro Electricity Distribution Inc.	206.45	223.21	270.31	263.02	269.33	261.30	260.79	260.55	256.42		
Waterloo North Hydro Inc.	181.61	219.96	244.24	259.20	239.32	236.41	246.42	261.50	258.57		
Whitby Hydro Electric Corporation	213.50	219.49	266.29	255.33	272.90	281.21	287.75	265.04	n/a		
Newmarket - Tay Power Distribution Ltd.	198.21	240.26	214.87	231.48	214.43	218.43	263.16	266.34	294.57		
Brantford Power Inc.	176.40	198.95	229.54	235.71	232.85	264.39	255.13	270.64	278.30		
Halton Hills Hydro Inc.	226.82	283.20	240.83	246.30	268.77	277.18	274.60	274.40	284.79		
Cambridge and North Dumfries Hydro Inc./Energy + Inc.	208.64	266.21	274.72	274.29	270.45	270.80	273.11	274.66	281.45		
Burlington Hydro Inc.	225.24	252.49	260.13	263.52	267.05	272.59	271.52	278.61	288.18		
Guelph Hydro Electric Systems Inc.	250.75	266.86	298.11	271.51	281.14	265.81	274.87	300.73	n/a		
Peer Group Average of Distributors that Reported	203.61	231.62	245.04	244.60	248.54	251.44	255.15	260.92	261.45		
Peer Group Average Excluding Milton Hydro	208.05	235.50	250.39	249.86	254.88	257.38	260.94	266.03	268.03		

Source: OEB Yearbooks of Electricity Distributors

MHDI 2016 COS - \$261.03 OM&A per customer

2019A & 2020P OM&A per Customer-smallest to largest



MHDI Status - Budget/LRP Financial Summary

Milton Hydro Distribution Inc.
Statement of Comprehensive Income

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Revenue								
Sale of energy	\$ \$ 101,379,746	\$ 109,210,947	\$ 108,257,451	\$ 121,085,785	\$ 137,296,851	\$ 140,865,947	\$ 142,471,397	\$ 144,078,033
Distribution revenue	17,651,774	18,203,473	18,932,283	18,500,558	19,221,012	20,175,164	20,789,054	21,412,663
Other	2,607,092	2,071,882	2,147,011	2,054,357	2,302,232	2,330,107	2,439,349	2,548,814
	121,638,612	129,486,302	129,336,744	141,640,700	158,820,094	163,371,218	165,699,800	168,039,510
Operating expenses								
Cost of power purchased	102,620,246	106,666,165	108,257,451	121,085,785	137,296,851	140,865,947	142,471,397	144,078,033
Operations & Maintenance	3,772,972	3,973,402	3,922,810	3,687,800	3,963,022	4,062,098	4,163,650	4,267,741
Administration	5,715,269	6,108,556	6,689,660	6,320,242	6,948,318	7,139,582	7,335,628	7,536,575
Operations, Maintenance & Administration	9,488,241	10,081,958	10,612,469	10,008,042	10,911,340	11,201,680	11,499,278	11,804,316
Depreciation and amortization	3,761,991	4,100,681	4,440,409	4,573,257	4,971,490	5,315,738	5,617,396	5,919,055
Removals of property, plant and equipment	25,965	49,291	650,000	650,000	350,000	350,000	350,000	350,000
	115,896,443	120,898,095	123,960,330	136,317,084	153,529,680	157,733,364	159,938,071	162,151,404
Income from operating activities	5,742,169	8,588,207	5,376,415	5,323,617	5,290,414	5,637,854	5,761,729	5,888,106
Finance income	(182,493)	(197,471)	(140,000)	(99,923)	(104,919)	(104,919)	(104,919)	(104,919)
Finance costs	2,606,634	2,866,800	2,787,353	2,761,067	2,803,038	2,855,269	2,919,005	3,000,500
Income before income taxes	3,318,028	5,918,878	2,729,062	2,662,472	2,592,294	2,887,503	2,947,642	2,992,524
Income tax expense	1,270,930	721,235	723,200	705,616	687,000	765,200	781,100	793,000
Net income before net movement in Reg balances	2,047,098	5,197,643	2,005,862	1,956,856	1,905,294	2,122,303	2,166,542	2,199,524
Net movement in regulatory balances	1,240,500	(2,787,426)	-	-	-	-	-	-
Income Tax on Regulatory Balances	1,015,398	(412,248)	-	-	-	-	-	-
Net income after net movement in Reg balances	4,302,996	1,997,969	2,005,862	1,956,856	1,905,294	2,122,303	2,166,542	2,199,524

MHDI Status - Budget/LRP Financial Summary – Assumptions for 2022, 2023 and 2024

= Distribution Revenue

- = 1000 new residential customers;
- = 27 new GS customers
- = Inflationary increase of 1.25% annually
- = MH stretch factor 0.15%

= OM&A

- = 2.5% increase in OM&A
- = One NEW headcount increase per year

= Interest

- = New debt of \$4.0M in July of 2022, 2023 & 2024 to fund capital projects;
- = Interest assumed at 4.0%

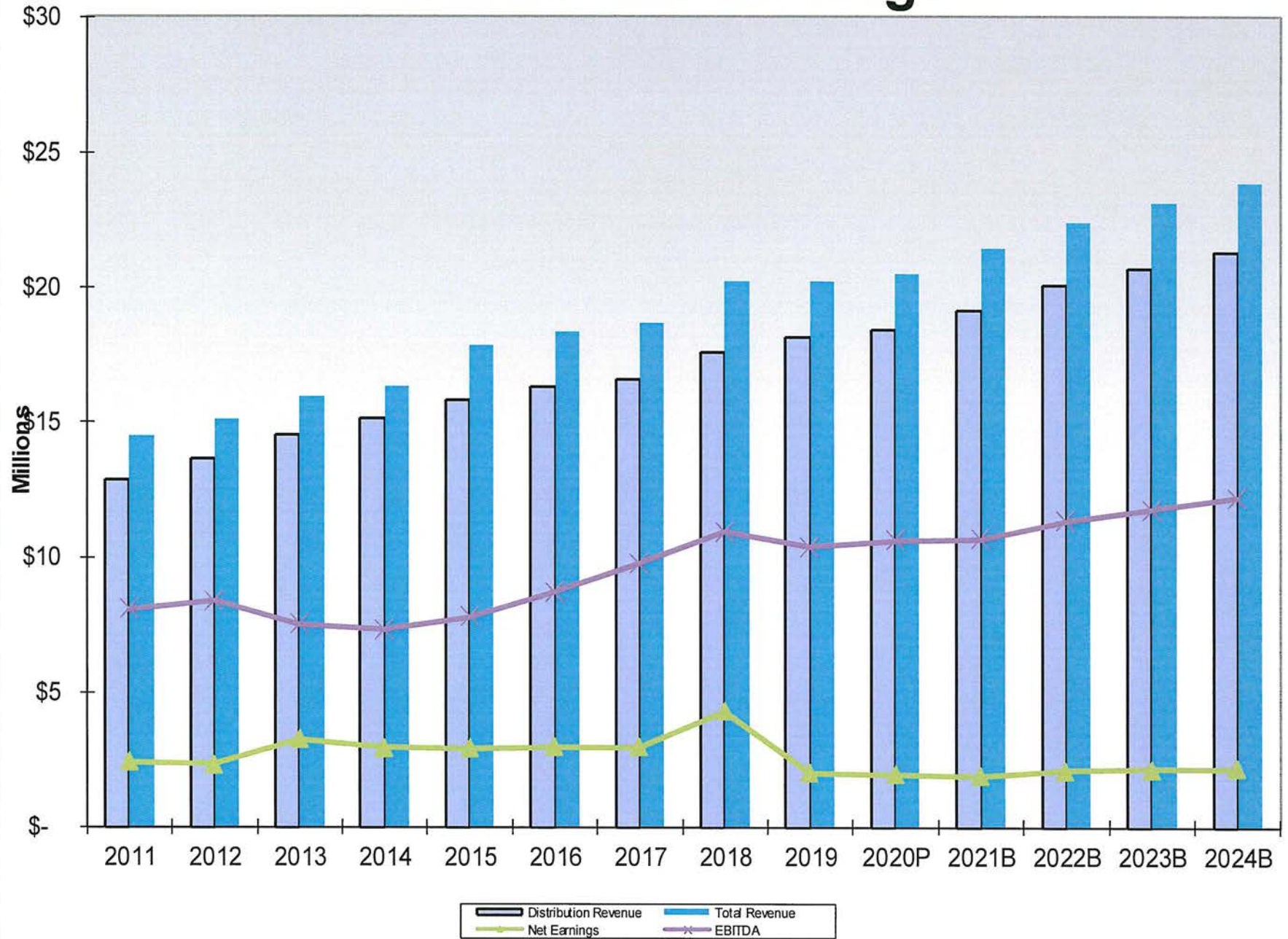
= Depreciation

- = Capex for 2022-2024 – \$9.6M

= PILS

- = Tax rate is 26.5%

Revenue and Earnings



Key Budget Assumptions – con't

Customers per Employee:

Mid-Size GTA Medium-High & High Undergrounding (as per the Mearie & OEB Yearbook)	Customers per Employee Dec 31, 2017 (OEB Yearbook)	Customers per Employee Dec 31, 2018 (OEB Yearbook)	Customers per Employee Dec 31, 2019 (OEB Yearbook)	Customers per Employee 2020P Budget	Customers per Employee 2021 Budget	Customers per Employee 2022 Budget	Customers per Employee 2023 Budget	Customers per Employee 2024 Budget
Oshawa PUC Networks Inc.	686	653	658					
Burlington Hydro Inc.	746	738	758					
Brantford Power Inc.	672	633	658					
Milton Hydro Distribution Inc.	677	747	777	790	752	756	760	764
Newmarket - Tay Power Distribution Ltd.	714	777	676					
Oakville Hydro Electricity Distribution Inc.	641	693	717					
Kitchener-Wilmot Hydro Inc.	504	526	525					
Cambridge and North Dumfries Hydro Inc. /Energy+	514	523	559					
Guelph Hydro Electric Systems Inc.	438	464	n/a					
Waterloo North Hydro Inc.	449	463	474					
Halton Hills Hydro Inc.	419	449	442					
Whitby Hydro Electric Corporation	n/a	n/a	n/a					
Peer Group Average of Distributors that Reported	587	606	624					
Peer Group Average Excluding Milton Hydro	578	592	607					

Source: MEARIE 2009/2010, 2010/2011 & 2011/2012/2013
Survey of Ontario's Local Distribution Companies

Key Budget Assumptions – con't

Capital Expenditures:

MHDI System Access Projects

➤ 2020P	\$7.0 million
➤ 2021B	\$8.23 million
➤ 2022B	\$4.40 million

MHDI System Renewal Projects

➤ 2020P	\$1.77 million
➤ 2021B	\$3.66 million
➤ 2022B	\$1.54 million

MHDI System Service Projects

➤ 2020P	\$ 380,000
➤ 2021B	\$ 835,000
➤ 2022B	\$ 3.35 million

Key Budget Assumptions – con't

MHDI One-Time Expenditures:

- 2020 Projected
 - Tremaine TS
 - Feeder Egress - \$190,000 (final payment)
 - Software
 - Licenses - \$30,000
 - Board room Team HW - \$20,000
 - Building – Security Cameras \$62,000
 -
- 2021 Budget
 - Server/Firewall/Desktops- \$88,000
 - Cayenta Financial Upgrade - \$250,000
 - Workflow automation - \$100,000
 - Northstar Automation platform - \$45,000
 - Control Room Hardware - \$50,000
 - Website Update - \$25,000
 - Building – Drainage System- \$40,000
 - Squirt Boom Ariel Truck - \$225,000

Key Budget Assumptions – con't

➤ Long Term Debt:

MHDI forecasts third party borrowings to fund capital projects. Interest on 2020 draw – 2.35%; assumed at 3.0% for 2021 to 2022 and 4% thereafter. Borrowing as follows:

- 2020P - \$ 4.0 million
- 2021 - \$ 4.0 million
- 2022 - \$ 4.0 million
- 2023 - \$ 4.0 million
- 2024 - \$ 4.0 million

Promissory Note to Town:

Interest of \$1.082 million reflecting 7.25% payable on promissory note of \$14.934 million; no principal payments assumed during forecast period. Deemed interest rate for MHDI's 2016 Cost of Service rate decision by the OEB is 3.85% . It is assumed that Milton Hydro will continue to pay interest to the Town at 7.25% (\$508,000 annually in excess interest to what is being collected in distribution rates).

Mark to Market Adjustment (SWAPS)

Since 2015, Milton Hydro has secured financing with three separate Interest Swap agreements. A Mark to Market adjustment (MTM) is an accounting practice that involves adjusting the value of the security to reflect current market conditions. MTM refers to the settling of gains and losses due to changes in the market value of the security. Historically, Milton Hydro has not reflected a MTM as it has not been material. However, it is anticipated that the impact of the pandemic of reducing interest rates to historical lows will require Milton Hydro to record a MTM adjustment in 2020. **Please note** - the MTM has not been reflected in the budget.

Based on September 30, 2020, the MTM is expected to be a Loss of FV of approximately \$1,689,223. The MTM would be adjusted at least annually on a go-forward basis – assuming the interest rates increase over time, a positive variance would be reflected. The entry would be reflected as follows:

Entry to bring the swap to fair value and account for the appropriate loss attributable to FY20

Dr.	Loss of FV on Derivatives (IS)	1,689,223
Cr.	Liability due to FV of Derivatives (BS)	1,689,223

MHDl Payments to Shareholder



- Interest paid to Town by MHDl includes approximately \$508,000 in excess of interest collected through distribution rates (difference between 3.85% OEB-approved rate versus 7.25% interest rate paid to Shareholder)
- In 2020, MHDl will pay \$1.5M; MHDl is proposing a dividend of \$1.50 million in each year of the forecast period of 2021-2024.

Milton Hydro Holdings Inc.

Total payments to Shareholder included forecast to 2024 =

[REDACTED]

[REDACTED]

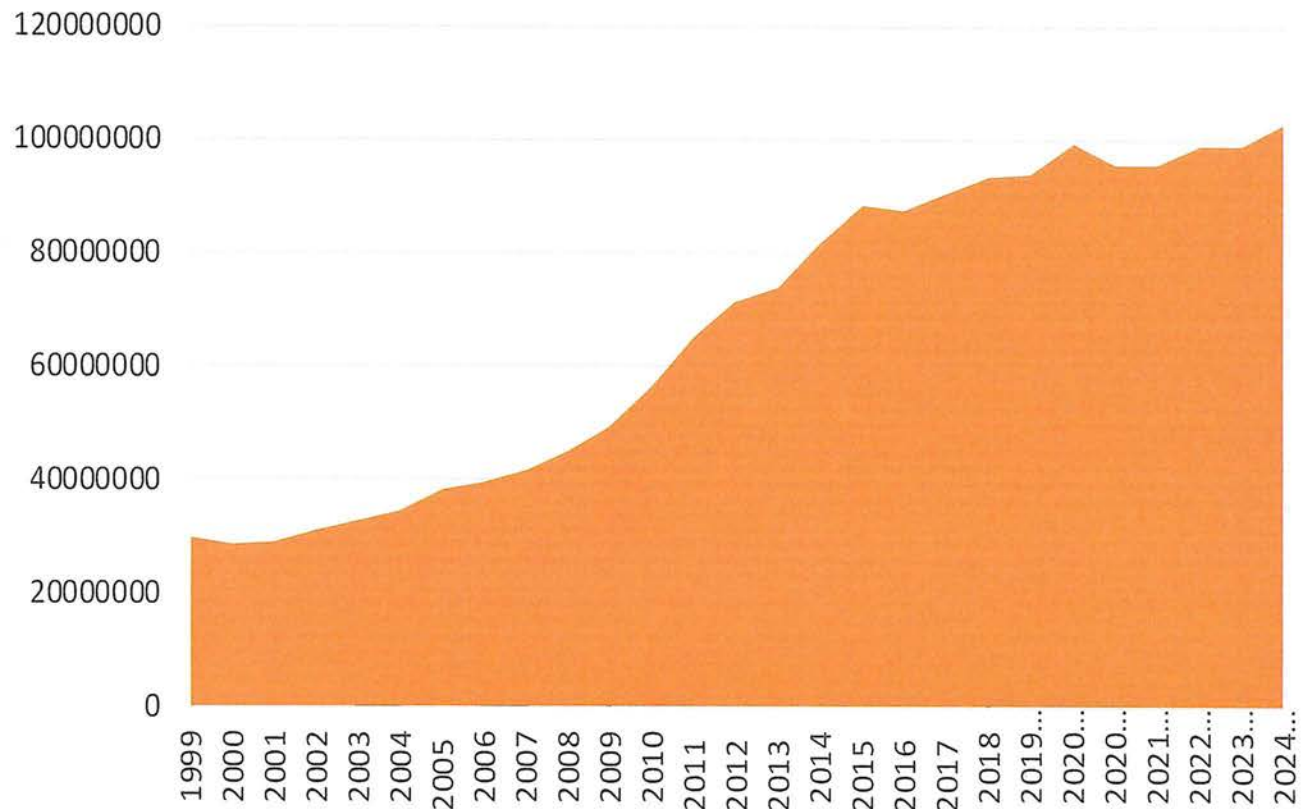
- Interest paid to Town includes approximately \$508,000 in excess of interest collected through distribution rates

- [REDACTED]

Rate Base

Currently Calculated as:

- Net Fixed Assets (Net of Contributed Capital/Deferred Revenue)
- Plus: Working Capital allowance defined as $7.5\% \times (\text{COP} + \text{Controllable Expenses})$



* Changed from 15.0% to 7.5% effective May 1, 2016

Covenants

New Covenants per TD Bank

Covenant Test Ratios	Target	2015 A	2016 A	2017 A	2018 A	2019 A	2020 P	2021 B	2022 B	2023 B	2024 B
Current Ratio	Minimum 1.1:1	1.83	1.66	1.45	1.57	1.39	1.35	1.21	1.34	1.34	1.35
Debt Service Coverage Ratio	Minimum 1.15:1	2.16	1.33	1.47	1.71	2.00	1.59	1.63	1.32	1.64	1.64
Debt to Capital Ratio	not greater than 60%	57.2%	57.2%	55.7%	55.3%	56.2%	57.0%	57.6%	58.1%	58.5%	58.8%

Forecasting Risk Factors

➤ Rate Regulation and Regulatory Uncertainty

- 2021 IRM Inflationary factor & Stretch factor approval outstanding
- Next COS for MHDI is May 1, 2022; MHDI is considering a request for a deferral; however due to the continued shortfall of residential development, MHDI may need to rebase – cost, resourcing and timing implications

➤ Residential Development in Town of Milton

- Growth projections – assuming 1000 new residential connections but this may be optimistic
- Growth in Unit Sub-metering may impact individual residential connections

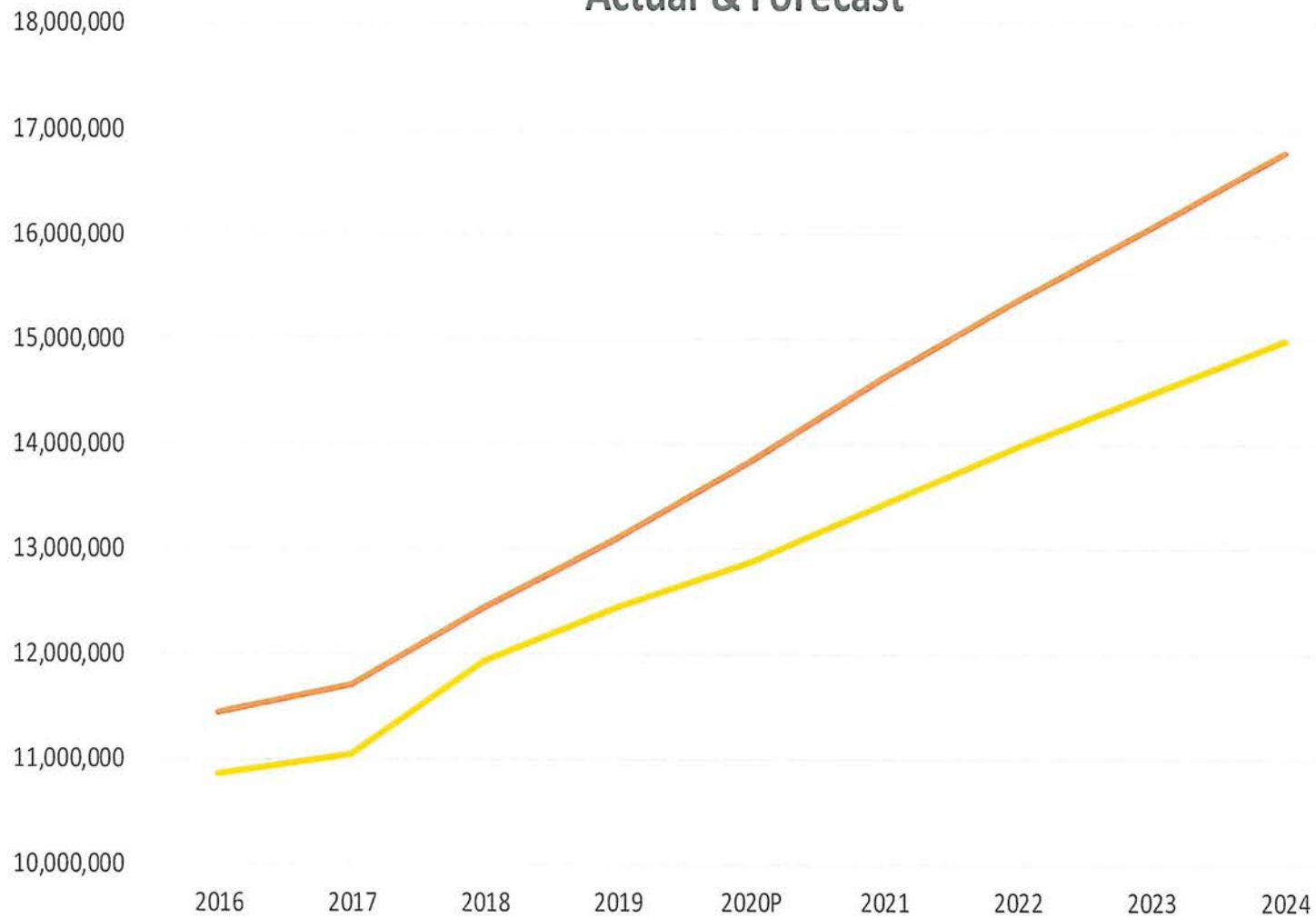
➤ Economic Uncertainty

- Pandemic Impact
- Growth
- Impact on GS customers
- Credit Risk - Impact of OEB Amendments to Distribution System Code with respect to customer service policies may lead to higher bad debts

➤ Timing & Cost Implications

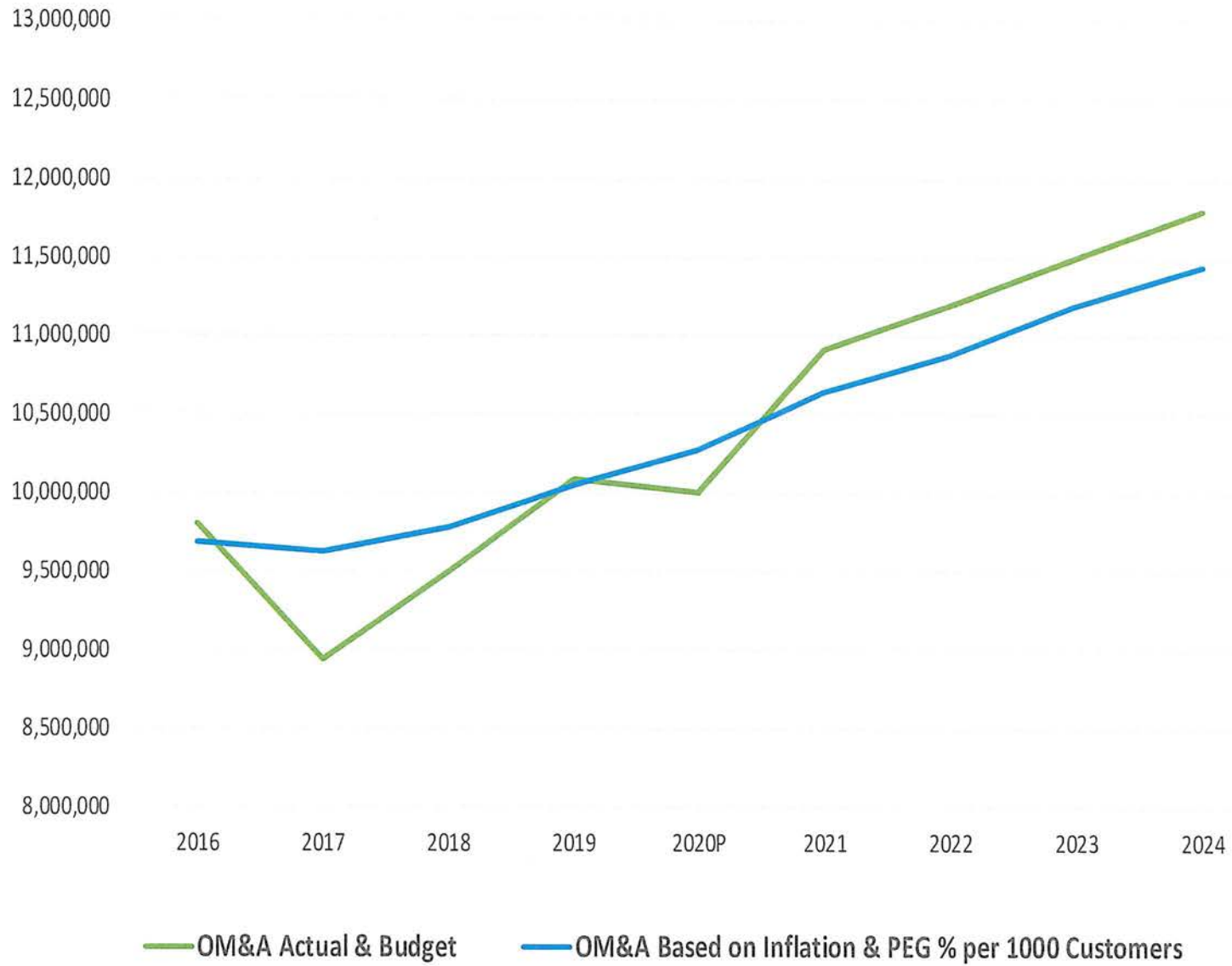
- New Transformer Station & Feeder Lines to deal with continued growth

Residential Revenue Based on Cost of Service Growth Comparison to Actual & Forecast

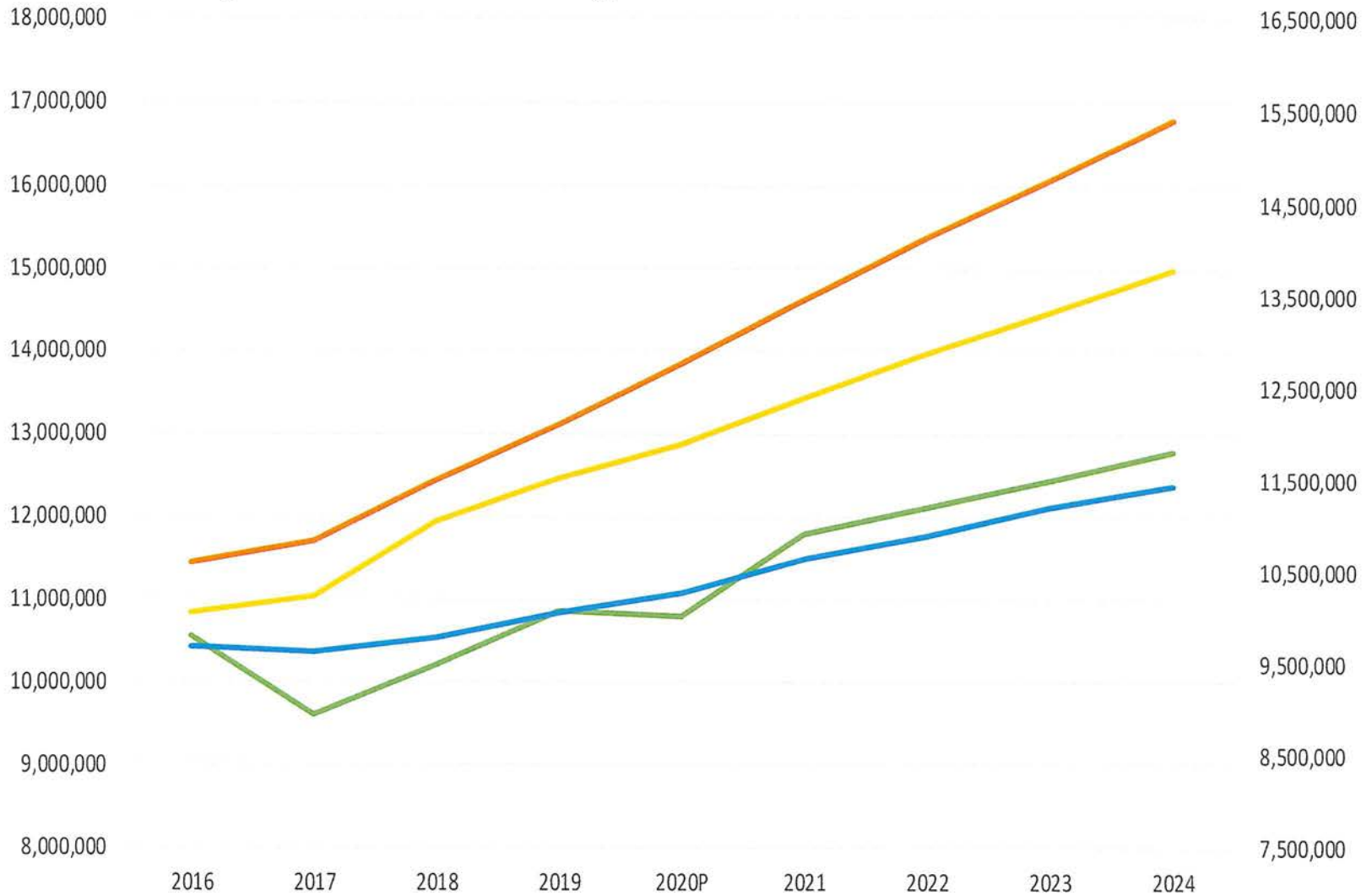


— Revenue 1500 Residential Cost of Service — Revenue Actual & 1000 Residential Forecast

OM&A Actual & Budget vs. Inflation + PEG % Per 1000 Customers



Residential Revenue Based on Cost of Service Growth Comparison to Actual & Budget vs. OM&A Actual & Budget & Inflation + PEG % Per 1000 Customers



Revenue Actual & 1000 Residential Forecast

Revenue 1500 Residential Cost of Service

OM&A Actual & Budget

OM&A Based on Inflation & PEG % per 1000 Customers

**Milton Hydro Distribution Inc.
Statements of Financial Position**

	2019 Projected	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Assets								
Current assets								
Cash and cash equivalents	\$ 7,330,328	\$ 10,676,204	\$ 10,317,638	\$ 6,430,258	\$ 4,462,197	\$ 7,939,156	\$ 7,858,437	\$ 8,189,178
Accounts receivable	\$ 11,883,010	\$ 10,716,502	\$ 12,196,276	\$ 11,855,278	\$ 13,293,298	\$ 13,677,464	\$ 13,865,956	\$ 14,055,374
Due from related parties								
Unbilled revenue	10,505,874	10,991,881	10,782,835	12,311,269	13,804,599	14,203,542	14,399,284	14,595,987
Income taxes receivable		(1,445,307)	-	-	-	-	-	-
Materials and supplies	1,368,320	1,548,149	1,368,320	1,548,149	1,548,149	1,548,149	1,548,149	1,548,149
Prepaid expenses	900,743	797,519	900,743	693,313	693,313	693,313	693,313	693,313
Total current assets	31,988,275	33,284,948	35,565,812	32,838,267	33,801,557	38,061,624	38,365,138	39,082,001
Non-current assets								
Property, plant and equipment	108,129,994	108,554,144	113,942,412	112,558,939	120,552,390	124,522,259	128,190,468	131,557,019
Intangible assets	908,214	2,955,699	908,214	2,955,699	2,955,699	2,955,699	2,955,699	2,955,699
Total non-current assets	109,038,208	111,509,843	114,850,626	115,514,638	123,508,089	127,477,958	131,146,167	134,512,718
Total assets	141,026,483	144,794,791	150,416,438	148,352,905	157,309,646	165,539,582	169,511,306	173,594,719
Regulatory balances	6,197,097	6,267,722	3,565,319	6,092,705	6,157,528	3,146,025	3,905,502	4,381,875
Total assets and regulatory balances	\$ 147,223,580	\$ 151,062,513	\$ 153,981,757	\$ 154,445,611	\$ 163,467,174	\$ 168,685,607	\$ 173,416,807	\$ 177,976,595
Liabilities								
Current liabilities								
Accounts payable and accrued Liabilities	\$ 17,821,855	\$ 18,334,459	\$ 18,253,940	\$ 20,697,693	\$ 23,030,119	\$ 23,625,405	\$ 23,899,792	\$ 24,177,293
Long-term debt due within one year								
Customer deposits	3,610,992	3,701,064	3,610,992	3,701,064	3,701,064	3,701,064	3,701,064	3,701,064
Total current liabilities	21,432,847	22,035,523	21,864,932	24,398,757	26,731,183	27,326,469	27,600,856	27,878,357
Non-current liabilities								
Long-term debt	57,902,052	57,924,446	60,320,957	60,333,853	62,593,044	64,702,718	66,663,242	68,476,773
Post-employment benefits	516,418	509,917	537,075	530,314	551,526	573,587	596,531	620,392
Deferred revenue	17,047,083	16,330,098	20,427,751	18,059,132	22,156,592	24,025,700	25,832,505	27,577,874
Other liabilities	2,019,831	2,534,276	2,019,831	2,534,276	2,534,276	2,534,276	2,534,276	2,534,276
Deferred tax liabilities	2,895,838	2,989,858	2,895,838	2,989,858	2,895,838	2,895,838	2,895,838	2,895,838
Total non-current liabilities	80,381,222	80,288,595	86,201,453	84,447,432	90,731,276	94,732,119	98,522,391	102,105,153
Total liabilities	101,814,069	102,324,118	108,066,385	108,846,189	117,462,459	122,058,589	126,123,247	129,983,510
Equity								
Share capital	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
Contributed surplus								
Retained earnings	26,135,688	26,135,688	26,900,603	26,633,658	27,090,514	27,495,808	28,118,111	28,784,653
Distribution Income - current year	2,264,915	1,997,969	2,005,862	1,956,856	1,905,294	2,122,303	2,166,542	2,199,524
Accumulated other comprehensive income/(loss)								
Total equity	45,409,511	45,142,566	45,915,373	45,599,422	46,004,716	46,627,019	47,293,561	47,993,085
Total liabilities and equity	147,223,580	147,466,684	153,981,758	154,445,611	163,467,175	168,685,608	173,416,808	177,976,595
Regulatory balances		3,595,829						
Total liabilities, equity and regulatory balances	\$ 147,223,580	\$ 151,062,513	\$ 153,981,758	\$ 154,445,611	\$ 163,467,175	\$ 168,685,608	\$ 173,416,808	\$ 177,976,595

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**Milton Hydro Distribution Inc.
Statement of Comprehensive Income**

	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Revenue							
Sale of energy	\$ \$ 109,210,947	\$ 108,257,451	\$ 121,085,785	\$ 137,296,851	\$ 140,865,947	\$ 142,471,397	\$ 144,078,033
Distribution revenue	18,203,473	18,932,283	18,500,558	19,221,012	20,175,164	20,789,054	21,412,663
Other	2,071,882	2,147,011	2,054,357	2,302,232	2,330,107	2,439,349	2,548,814
	129,486,302	129,336,744	141,640,700	158,820,094	163,371,218	165,699,800	168,039,510
Operating expenses							
Cost of power purchased	106,666,165	108,257,451	121,085,785	137,296,851	140,865,947	142,471,397	144,078,033
Operations & Maintenance	3,973,402	3,922,810	3,687,800	3,963,022	4,062,098	4,163,650	4,267,741
Administration	6,108,556	6,689,660	6,320,242	6,948,318	7,139,582	7,335,628	7,536,575
Operations, Maintenance & Administration	10,081,958	10,612,469	10,008,042	10,911,340	11,201,680	11,499,278	11,804,316
Depreciation and amortization	4,100,681	4,440,409	4,573,257	4,971,490	5,315,738	5,617,396	5,919,055
Removals of property, plant and equipment	49,291	650,000	650,000	350,000	350,000	350,000	350,000
	120,898,095	123,960,330	136,317,084	153,529,680	157,733,364	159,938,071	162,151,404
Income from operating activities	8,588,207	5,376,415	5,323,617	5,290,414	5,637,854	5,761,729	5,888,106
Finance income	(197,471)	(140,000)	(99,923)	(104,919)	(104,919)	(104,919)	(104,919)
Finance costs	2,866,800	2,787,353	2,761,067	2,803,038	2,855,269	2,919,005	3,000,500
Income before income taxes	5,918,878	2,729,062	2,662,472	2,592,294	2,887,503	2,947,642	2,992,524
Income tax expense	721,235	723,200	705,616	687,000	765,200	781,100	793,000
Net income before net movement in Reg balances	5,197,643	2,005,862	1,956,856	1,905,294	2,122,303	2,166,542	2,199,524
Net movement in regulatory balances	(2,787,426)	-	-	-	-	-	-
Income Tax on Regulatory Balances	(412,248)						
Net income after net movement in Reg balances	1,997,969	2,005,862	1,956,856	1,905,294	2,122,303	2,166,542	2,199,524
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Remeasurements of post-employment benefits							
Tax on remeasurements							
Net movement in regulatory balances, net of tax							
Other comprehensive income for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Net Income	\$ \$ 1,997,969	\$ 2,005,862	\$ 1,956,856	\$ 1,905,294	\$ 2,122,303	\$ 2,166,542	\$ 2,199,524

Milton Hydro Distribution Inc.
Statement of Cash Flows

	2019 Actual	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Operating activities						
Net Income and net movement in regulatory balances	1,997,969	1,956,856	1,905,294	2,122,303	2,166,542	2,199,524
Adjustments for:						
Depreciation and amortization	4,413,214	4,904,483	5,315,936	5,660,184	5,961,842	6,263,501
Amortization of deferred revenue	(431,291)	(477,283)	(562,151)	(650,891)	(713,195)	(774,631)
Post-employment benefits	13,361	20,397	21,213	22,061	22,943	23,861
Loss/(Gain) on Removals of property, plant and equipm	49,291	650,000	350,000	350,000	350,000	350,000
Contributions received from customers	2,025,360	2,206,317	4,659,611	2,520,000	2,520,000	2,520,000
Net finance costs	2,669,329	2,661,145	2,698,120	2,750,351	2,814,087	2,895,581
Income tax expense			-	-	-	-
Change in non-cash operating working capital:						
Accounts receivable	(346,592)	(1,138,776)	(1,438,020)	(384,166)	(188,492)	(189,418)
Due to/from related parties	-	-	-	-	-	-
Unbilled revenue	180,622	(1,319,388)	(1,493,330)	(398,943)	(195,742)	(196,704)
Materials and supplies	(179,829)	-	-	-	-	-
Prepaid expenses	207,430	104,206	-	-	-	-
Other assets						
Accounts payable and accrued liabilities	1,282,792	2,363,231	2,332,426	595,287	274,387	277,501
Customer deposits	90,072	-	-	-	-	-
Other liabilities	(324,630)	-	(94,020)	-	-	-
	11,647,099	11,931,187	13,695,078	12,586,185	13,012,372	13,369,216
Regulatory balances	3,199,674	(3,420,812)	(64,823)	3,011,503	(759,476)	(476,374)
Income tax paid						
Income tax received	1,625,940	(1,445,307)	-	-	-	-
Interest paid	(2,866,800)	(2,761,067)	(2,803,038)	(2,855,269)	(2,919,005)	(3,000,500)
Interest received	197,471	99,923	104,919	104,919	104,919	104,919
Net cash from operating activities	13,803,384	4,403,923	10,932,135	12,847,338	9,438,809	9,997,261
Investing activities						
Purchase of property, plant and equipment	(12,596,093)	(9,559,276)	(13,659,387)	(9,980,052)	(9,980,052)	(9,980,052)
Proceeds on disposal of property, plant and equipment						
Purchase of Intangibles						
Loan to associated company						
Net cash used by investing activities	(12,596,093)	(9,559,276)	(13,659,387)	(9,980,052)	(9,980,052)	(9,980,052)
Financing activities						
Dividends paid	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Proceeds from long-term debt	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Repayment of long-term debt	(1,405,665)	(1,590,593)	(1,740,809)	(1,890,326)	(2,039,476)	(2,186,468)
Net cash from financing activities	1,094,335	909,407	759,191	609,674	460,524	313,532
Change in cash and cash equivalents	2,301,625	(4,245,947)	(1,968,060)	3,476,959	(80,720)	330,741
Cash and cash equivalents, beginning of year	8,374,579	10,676,204	6,430,258	4,462,197	7,939,156	7,858,437
Cash and cash equivalents, end of year	10,676,204	6,430,258	4,462,197	7,939,156	7,858,437	8,189,178

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Milton Hydro Distribution Inc.

Summary of Capital Expenditures

As at December 31

Milton Hydro Distribution Inc.

Capital Expenditures

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
System Access			6,153,621	4,453,297	5,716,143	1,880,000	1,880,000	1,880,000
System Renewal			1,436,270	1,773,035	3,655,878	1,539,052	1,539,052	1,539,052
System Service			790,720	570,000	835,365	3,345,000	3,345,000	3,345,000
Subdivision Costs			2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000
Total Distribution Expenses	9,874,760	8,895,347	10,900,610	9,316,332	12,727,387	9,284,052	9,284,052	9,284,052
NBV Removals	(404,135)	(292,245)	(650,000)	(650,000)	(350,000)	(350,000)	(350,000)	(350,000)
Building for New Headquarters	55,832	364,220	130,000	62,000				
Building - work in progress								
WIP	164,901	1,073,077						
Other Capex - Replacement & Refurbishment/Tremaine TS		1,964,992						
Non-Growth Related Capex	(183,402)	3,110,044	(520,000)	(588,000)	(350,000)	(350,000)	(350,000)	(350,000)
Total Transmission and Distribution Capital Expenditures	9,691,358	12,005,391	10,380,610	8,728,332	12,377,387	8,934,052	8,934,052	8,934,052
Total Other Capital Expenditures (office eqmt, tools)	1,293,776	541,411	201,100	180,945	932,000	696,000	696,000	696,000
Total Land Capital Expenditures								
GROSS CAPITAL EXPENDITURES	10,985,134	12,546,802	10,581,710	8,909,276	13,309,387	9,630,052	9,630,052	9,630,052
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers			0	0	0			
Capital Contributions Received - Growth-Related	(2,920,318)	(2,025,360)	(3,896,419)	(2,206,317)	(4,659,611)	(2,520,000)	(2,520,000)	(2,520,000)
Capital Contributions Received - Non-Growth Related			0	0	0			
Total Capital Contributions - net	(2,920,318)	(2,025,360)	(3,896,419)	(2,206,317)	(4,659,611)	(2,520,000)	(2,520,000)	(2,520,000)
Net Capital Expenditures - Net Impact on Cash Flow	8,064,816	10,521,442	6,685,292	6,702,960	8,649,776	7,110,052	7,110,052	7,110,052

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MILTON HYDRO DISTRIBUTION INC.
MISCELLANEOUS REVENUE

	2019	2020	2020	2021	2022	2023	2024
	Actual	Budget	Projections	Budget	Budget	Budget	Budget
POLE ATTACHMENT FEE	\$ 171,853	\$ 188,700	\$ 174,703	\$ 178,197	\$ 181,761	\$ 185,396	\$ 189,104
CHISHOLM ROOF RENTAL	\$ 7,200	\$ 3,600	\$ 3,672	\$ 3,672	\$ 3,672	\$ 3,672	\$ 3,672
INTEREST CHARGE	\$ 304,211	\$ 314,605	\$ 328,088	\$ 334,649	\$ 341,342	\$ 348,169	\$ 355,132
REGION - WATER AND SEWAGE FEE	\$ 717,563	\$ 752,366	\$ 749,230	\$ 781,244	\$ 815,307	\$ 851,683	\$ 888,937
COLLECTION CHARGE	\$ 48,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RECONNECTION CHARGE	\$ 7,530	\$ 6,811	\$ 750	\$ 788	\$ 827	\$ 868	\$ 912
PURCHASE DISCOUNTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SALE OF SCRAP MATERIAL	\$ 12,936	\$ 11,543	\$ 3,127	\$ 3,283	\$ 3,000	\$ 3,000	\$ 3,000
MISCELLANEOUS REVENUE	\$ 14,473	\$ 10,000	\$ 3,000	\$ 115,000	\$ 10,000	\$ 10,000	\$ 10,000
N.S.F. CHARGE	\$ 2,760	\$ 2,919	\$ 2,853	\$ 2,910	\$ 2,968	\$ 3,028	\$ 3,088
OCCUPANCY CHARGE	\$ 203,190	\$ 209,640	\$ 168,000	\$ 195,000	\$ 195,000	\$ 195,000	\$ 195,000
CDM 2015-2022 Program Incentive payment							
LAWYER'S CERTIFICATES	\$ 1,221	\$ 1,348	\$ 1,011	\$ 1,062	\$ 1,062	\$ 1,062	\$ 1,062
BILLING FEE-MEGS (Sentinel Lights)	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828	\$ 3,828
OFF CYCLE METER READ	\$ 2,640	\$ 3,160	\$ 1,755	\$ 1,843	\$ 1,843	\$ 1,843	\$ 1,843
STATEMENT OF ACCOUNT	\$ 90	\$ 100	\$ 68	\$ 100	\$ 100	\$ 100	\$ 100
INTERVAL METER READ	\$ 86,790	\$ 87,300	\$ 78,102	\$ 78,102	\$ 78,102	\$ 78,102	\$ 78,102
MHTI Billing Fee (Sentinel Lights)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAILER - ONE TIME CHARGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RETAILER - LDC CONSOL BILLING	\$ 5,973	\$ 5,563	\$ 6,816	\$ 6,816	\$ 6,816	\$ 6,816	\$ 6,816
RETAILER - RETAILER CONSOL BILL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MONTHLY FIXED CHARGE	\$ 5,700	\$ 5,200	\$ 6,897	\$ 6,897	\$ 6,897	\$ 6,897	\$ 6,897
MONTHLY VARIABLE CHARGE	\$ 9,978	\$ 9,295	\$ 11,418	\$ 11,418	\$ 11,418	\$ 11,418	\$ 11,418
STR REQUEST FEE	\$ 96	\$ 104	\$ 143	\$ 143	\$ 143	\$ 143	\$ 143
STR PROCESSING FEE	\$ 167	\$ 180	\$ 131	\$ 131	\$ 131	\$ 131	\$ 131
Interest on RSVA accounts	\$ 34,062	\$ 15,000	\$ 33,485	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
OPA Programs - received'							
OPA Programs - spent							
TOTAL MISCELLANEOUS	\$ 1,640,591	\$ 1,631,261	\$ 1,577,074	\$ 1,740,081	\$ 1,679,216	\$ 1,726,154	\$ 1,774,183
Deferred Revenue (new effective 2015)	\$ 431,291	\$ 515,750	\$ 477,283	\$ 562,151	\$ 650,891	\$ 713,195	\$ 774,631
Total Other Revenue (Before Reg Adjustment)	\$ 2,071,882	\$ 2,147,011	\$ 2,054,357	\$ 2,302,232	\$ 2,330,107	\$ 2,439,349	\$ 2,548,814
MISC. INTEREST INCOME	\$ 197,471	\$ 140,000	\$ 99,923	\$ 104,919	\$ 104,919	\$ 104,919	\$ 104,919
Total Other Revenue (After Deferred Revenue)	\$ 2,269,353	\$ 2,287,011	\$ 2,154,280	\$ 2,407,150	\$ 2,435,026	\$ 2,544,268	\$ 2,653,732

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Milton Hydro Distribution Inc.
Administration Summary

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	\$ Variance 2020P - 2020B	\$ Variance 2021B - 2020P
Community Relations	\$ 10,120	\$ 9,650	\$ 17,500	\$ 22,000	\$ 35,600	\$ 4,500	\$ 13,600
Meter Reading	\$ 267,407	\$ 246,096	\$ 312,833	\$ 301,082	\$ 315,905	\$ (11,752)	\$ 14,824
Billing	\$ 1,139,585	\$ 1,174,260	\$ 1,203,864	\$ 1,164,196	\$ 1,184,668	\$ (39,667)	\$ 20,471
Finals	\$ 426,116	\$ 414,231	\$ 467,891	\$ 441,659	\$ 478,092	\$ (26,232)	\$ 36,433
Collections	\$ 266,016	\$ 286,281	\$ 291,696	\$ 267,732	\$ 275,734	\$ (23,963)	\$ 8,001
Board Expenses	\$ 86,818	\$ 95,431	\$ 63,817	\$ 96,129	\$ 98,782	\$ 32,312	\$ 2,653
Executive Expenses	\$ 1,038,503	\$ 1,107,271	\$ 1,262,660	\$ 1,261,407	\$ 1,252,389	\$ (1,253)	\$ (9,018)
General Administration	\$ 1,935,331	\$ 2,254,959	\$ 2,435,140	\$ 2,232,368	\$ 2,664,489	\$ (202,772)	\$ 432,120
Building Expense	\$ 545,373	\$ 520,376	\$ 634,259	\$ 539,170	\$ 642,660	\$ (95,090)	\$ 103,491
Total Administration	\$ 5,715,269	\$ 6,108,556	\$ 6,689,660	\$ 6,325,742	\$ 6,948,318	\$ (363,917)	\$ 622,576

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**Milton Hydro Distribution Inc.
Operating & Maintenance Expenses**

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	VARIANCE Proj20 - Bud20	VARIANCE Budget21 - Proj20
Transformer Station	\$ 59,666	\$ 37,960	\$ 42,166	\$ 59,852	\$ 77,724	\$ 92,021	\$ 17,871	\$ 14,297
Overhead Lines	\$ 468,144	\$ 761,700	\$ 775,842	\$ 514,244	\$ 446,718	\$ 535,472	\$ (67,527)	\$ 88,754
Underground Lines	\$ 148,734	\$ 67,439	\$ 103,220	\$ 167,974	\$ 123,855	\$ 145,109	\$ (44,119)	\$ 21,254
Maintenance of Line Transformers	\$ 176,479	\$ 178,194	\$ 278,315	\$ 272,514	\$ 179,346	\$ 198,130	\$ (93,169)	\$ 18,785
Tree Trimming	\$ 259,508	\$ 373,691	\$ 325,314	\$ 370,828	\$ 380,120	\$ 352,229	\$ 9,292	\$ (27,890)
Underground Locates	\$ 378,024	\$ 373,373	\$ 383,562	\$ 330,000	\$ 404,513	\$ 380,100	\$ 74,513	\$ (24,413)
Meter Maintenance	\$ 369,993	\$ 412,303	\$ 389,427	\$ 352,239	\$ 389,561	\$ 357,386	\$ 37,323	\$ (32,175)
Bell & Cable	\$ 10,797	\$ 10,491	\$ 17,764	\$ 17,944	\$ 35,087	\$ 40,354	\$ 17,143	\$ 5,267
Customer Premises	\$ 302,193	\$ 382,742	\$ 359,653	\$ 367,600	\$ 354,909	\$ 399,466	\$ (12,691)	\$ 44,557
Engineering Administration	\$ 730,958	\$ 784,974	\$ 847,852	\$ 882,610	\$ 817,507	\$ 876,376	\$ (65,103)	\$ 58,870
Stores Administration	\$ 244,860	\$ 251,505	\$ 305,263	\$ 382,004	\$ 273,461	\$ 357,544	\$ (108,544)	\$ 84,083
Control Room contract services	\$ 185,550	\$ 138,600	\$ 145,025	\$ 205,000	\$ 205,000	\$ 228,833	\$ -	\$ 23,833
Total Operating & Maintenance Expenses	\$ 3,334,905	\$ 3,772,972	\$ 3,973,401	\$ 3,922,810	\$ 3,687,800	\$ 3,963,022	\$ (235,010)	\$ 275,222

Milton Hydro Distribution Inc.

Key Assumptions

Revenue

- Utilized the Town of Milton's growth projections for residential development adjusted for confirmations from major builders. These figures reflect the general slowdown in the housing market, the effect of new mortgage regulations, the uncertainty regarding development fees and the impact of the pandemic.
 - 2020P- 700 residential units (budgeted 1,000)
 - 2021- 1,000 residential units
 - 2022 - 1,000 residential units
 - 2023 - 1,000 residential units
 - 2024 - 1,000 residential units

- Distribution rates for the 2021 Budget are based on the OEB approved rates for May 1, 2020 for January to April 2021, and the OEB approved rates for May 1, 2020 adjusted for the 2021 price cap adjustment factor of 2.04% for May to December 2021. The price cap adjustment factor is based on the OEB's formula which considers the inflation factor and adjusts it for an X-factor.

The inflation factor of 2.19% is computed based on the OEB's methodology using the annual growth in the 2-factor Implicit Price Index (IPI) based on the National GDP-IPI (FDD) and the average weekly earnings (AWE) Labour index for all employees in Ontario.

The X-factor is based on two parts, the provincial wide utility productivity factor, which is currently set at zero, and a distributor specific stretch factor which has been currently set at 0.15% for Milton Hydro.

Rates effective for each year from May 1, 2022 to May 1, 2025 are calculated using on a price cap adjustment factor of 1.10% based on an inflation factor of 1.25% less approved stretch factor of 0.15%. Since the start of the COVID-19 pandemic, inflation has dropped significantly.

- In 2019, Milton Hydro fully transitioned to a 100% fixed rate for the Residential Class. Although average consumption for the Residential Class has increased notably (by 7.9% for 2020P vs the 2018/2019 average of 733 kWh) during the COVID-19 pandemic, Distribution Revenue for the Residential Class has remained fixed based on the number of customers that Milton Hydro provides electricity distribution services to. Fluctuations in consumption due to weather, conservation and demand side management, technology or other reasons are not currently impacting the Distribution Revenue from the Residential Class of customers.
- The 2020P growth for the Residential Customer Class is based on 700 projected new customers being added to the class and the 2021B growth for the Residential Customer Class is based on 1,000 budgeted new customers being connected. Average monthly consumption for residential customers is forecast to be 791 kWh/month for 2020 and an average of 766 kWh/month in 2021B. As mentioned above, the impacts of the COVID-19 pandemic caused increases in consumption for the Residential Class of customers; however, there was no impact to the distribution revenue, due to the 100% fixed distribution rate for this class.

- 2021B Growth for the GS < 50 kW customer class is based on 105 net new customers in the year with average monthly consumption of 2,434 kWh (2020P, 88 customers, 2,456 kWh). 80 of the new customers in 2021 relate to the conversion of streetlight connections to metered connections. The average monthly consumption for 2020P dropped significantly by 6.7% from the 2018/2019 average of 2,633 kWh due to the impacts of the COVID-19 pandemic when many small commercial businesses were shuttered. The reduced consumption for the GS < 50 kW class is expected to continue into 2021 during the COVID-19 pandemic. Distribution revenue for the GS < 50 kW class is based on a volumetric consumption (kWh) rate and a fixed monthly service charge.
- 2021B growth for the GS > 50 – 999 kW customer class is based on 2 new customers per year with average monthly demand of 137 kW (2020P - 4 new customers with average monthly demand of 136 kW). The average monthly demand for 2020P dropped significantly by 8.2% from the 2018/2019 average of 148 kW due to the impacts of the COVID-19 pandemic when many commercial businesses were closed for a period of time especially during the period from March 2020 to June 2020. The reduced demand for the GS > 50 – 999 kW class is expected to continue into 2021 during the COVID-19 pandemic. Distribution revenue for the GS>50 – 999 kW customer class is based on a volumetric demand (kW) rate and a fixed monthly service charge.
- The 2020P for the GS > 1000 kW customer class is based on 15 existing customers with average monthly projected demand of 1,646 kW per customer. For 2021B average monthly demand is forecast at 1,681 kW for the 15 existing customers. The average monthly demand for 2020P dropped significantly by 5.0% from the 2018/2019 average of 1,733 kW due to the impacts of the COVID-19 pandemic when this class of customers was mainly impacted during the months of April and May 2020, although demand has mostly picked up back to normal levels, there are some continuing effects of the COVID-19 pandemic reducing kW demand for this customer class. The reduced demand for the GS > 1000 kW customer class is expected to continue to some degree into 2021 during the COVID-19 pandemic. Demand is assumed based on recent historical trends with a COVID-19 adjustment factor. Distribution revenue for the GS > 1000 kW class is based on a volumetric demand (kW) rate and a fixed monthly service charge.
- No growth is assumed in the Large Use customer class (Magna, Modatek, Roxul). The average monthly demand for 2020P dropped by 4.4% from the 2018/2019 average of 7,654 kW due to the impacts of the COVID-19 pandemic when this class of customers was mainly impacted during the months of April and May 2020. Since then the demand for this class has picked up and is back to normal levels. The 2021B average demand is based on a normal level of 7,650 kW, and there are no projected continuing impacts of the COVID-19 pandemic to the demand of the Large User customer class at this time. Demand is assumed based on historical trends of each of the three existing Large Use customers. Distribution revenue for the Large Use class is based on a volumetric demand (kW) rate and a fixed monthly service charge.

Other Income

Milton Energy & Generation Solutions Inc. (MEGS) [REDACTED]

- MEGS has contracted with MHDI to provide the billing and customer service/collection services.
- Effective June 1, 2020 MHDI billed MEGS based on a fully allocated cost plus return of \$3.63 per bill. MHDI has assumed the following rates and percent increases effective June 1st in each year of the forecast.

	June 1, 2018 to May 31, 2019	June 1, 2019 to May 31, 2020	June 1, 2020 to May 31, 2021	June 1, 2021 to May 31, 2022
MHDI Bill Fee charged to MEGS	\$ 3.49	\$ 3.56	\$ 3.63	\$ 3.70
Percent Increase	2.05%	2.01%	1.97%	1.93%

Controllable Expenses

- For 2021, compensation reflects an increase of 2.0% for bargaining unit staff. The current Collective Agreement expires December 31, 2020. An estimate for total compensation relating to management staff (inflation adjusted plus progression, if applicable, of 2.5%).
- Staff levels are monitored regularly against other utilities of similar size. Headcount at the end of 2020 is forecast to be 52 FTE (full time equivalents). Headcount is forecast as follows:
 - 2020P - Two (2) additions -Financial Specialist (new); Purchasing Manager (new)
 - 2021B- Four (4) - 2 Apprentice Lineman, Operation Supervisor (vacant) and a Communications Officer
 - 2022 - One (1) headcount addition
 - 2023- One (1) headcount addition
 - 2024 - One (1) headcount addition
- Controllable expenses are assumed to increase by 2.5% for each of 2022 through to 2024.

PILs

- Milton Hydro is subject to Payments in Lieu of Tax (“PILs”); tax rates assumed as follows:
 - 2020P - 26.5%
 - 2021 - 26.5%
 - 2022- 26.5%
 - 2023 - 26.5%
 - 2024 - 26.5%

In late 2019, Milton Hydro underwent a Ministry of Finance PILS Audit for tax years 2015 & 2016. The Ministry of Finance assessed a tax adjustment of \$678,890 with interest of \$149,814 (non-deductible for tax). In consultation with KPMG, MH agreed not to appeal the Ministry assessment. The \$678,890 tax adjustment is a timing difference, with the exception of minor permanent exclusions (less than \$10,000). Milton Hydro also reviewed it’s 2017/2018 tax years with KPMG and made a provision for all four (4) years in the 2019 financial statements which includes a total tax adjustment of (\$933K) and interest (\$176K) for 2015/2016/2017/2018. The actual tax assessment for 2015/2016/2017/2018 of \$1.099 million, which includes interest of \$179,000, was paid in 2020.

Mark to Market Adjustment - SWAPs

Since 2015, Milton Hydro has secured financing with three separate Interest Swap agreements as outlined below. A Mark to Market adjustment (MTM) is an accounting practice that involves adjusting the value of the security to reflect current market conditions. MTM refers to the settling of gains and losses due to changes in the market value of the security. Historically, Milton Hydro has not reflected a MTM as it has not been material. However, it is anticipated that the impact of the pandemic of reducing interest rates to historical lows will require Milton Hydro to record a MTM adjustment in 2020. **Please note** - the MTM has not yet been reflected in the budget.

Based on September 30, 2020, the MTM is expected to be a Loss of FV of approximately \$1.6M. The MTM would be adjusted at least annually on a go-forward basis – assuming the interest rates increase over time, a positive variance would be reflected. The entry would be reflected as follows:

Entry - Entry to bring the swap to fairvalue and account for the appropriate loss attributable to FY20

Dr. Loss of FV on Derivatives (IS) 1,689,223.63
 Cr. Liability due to FV of Derivatives (BS) 1,689,223.63

	Interest Swap	Interest Swap	Interest Swap	Total
Principal Amount	\$4,000,000	\$4,000,000	\$3,000,000	\$11,000,000
Closing Date	22-Dec-15	20-Jul-18	04-10-19	
Maturity Date	22-Dec-45	20-Jul-48	04-10-49	
Annual Interest Rate	3.58%	3.90%	3.146%	
Loan Term	30 years	30 years	30 years	
Payment Frequency	Monthly	Monthly	Monthly	
Loan Type	Amortizing	Amortizing	Amortizing	

Interest

- Interest of 7.25% payable on the debt to the Town commenced on October 1, 2001. Payments are made to the Town on a quarterly basis. No principal payments of this promissory note have been made during the forecast period. The budget assumes that Milton Hydro will continue to pay the Town at a rate of 7.25%, however the OEB-approved deemed interest rate pursuant to the 2016 Cost of Service Rate filing on this demand facility is 3.85% which means that approximately \$508,000 of interest is being paid annually to the Shareholder in excess of what has been approved by the OEB to be recovered in distribution rates.
- Milton Hydro has signed financing agreements with Infrastructure Ontario and TD to fund its multi-year capital program:
 - November 12, 2009 – Infrastructure Ontario (\$15.752M)
 - March 27, 2013 – Infrastructure Ontario (\$20.044M)
 - December 15, 2015 – TD (\$12.0M)
 - December 15, 2015 – Infrastruruce Ontario (\$4.0)
 - June 8, 2020 – TD (\$12.0M)

In July 2020, as envisioned in the 2020 budget, Milton Hydro borrowed \$4.0 M with an interest rate of 2.35%. During the forecast period, Milton Hydro is planning to borrow as follows:

July 2021 - \$4.0M – Interest rate – 3.0%
 July 2022 - \$4.0M – Interest rate – 3.0%
 July 2023 - \$4.0M – Interest rate – 4.0%
 July 2024 - \$4.0M – Interest rate – 4.0%

Capital

• Capital expenditures – Growth Related

- New Residential connections
 - 2020P – 700 new residential connections (budgeted 1,000)
 - 2021 to 2024 – 1,000 new residential connections in each year
 - cost per residential unit of \$2,520 which includes all capital costs, incremental overhead charges, external costs, secondary buses and meters.
 - Developers continue to pay for growth-related capital expenditures and Milton Hydro rebates the developer based on the number of connections to the distribution system. Refunds to the developer are made based on actual residential connections/load over the 5 year connection horizon allowed under the Distribution System Code; over the last 5 years, MHDI’s contribution has been approximately 36-40% of total capital costs of completed subdivisions.
- New General Service connections
 - 2020P – 93, 2021B – 107 new underground/overhead (traffic/streetlight) services.
- Contributed Capital Policy (now captured in Deferred Revenue)
 - 100% contributed capital on new General Class services
 - New Residential services not associated with growth are funded through rates
 - New Residential services related to growth – MHDI contributes to developers of residential subdivisions based on an economic evaluation.

• Capital expenditures

- MHDI System Access Projects (incl Subdivisions)
 - 2020P - \$7.0 million
 - 2021B- \$8.23 million
 - 2022B – 2024B \$4.40 million
- MHDI System Renewal Projects
 - 2020P - \$1.77 million
 - 2021B - \$3.66 million
 - 2022B – 2024B \$1.54 million
- MHDI System Service Projects
 - 2020P - \$380,000
 - 2021B - \$835,000
 - 2022B – 2024B \$3.35 million
- One Time & General Plant Expenditures
 - 2020P
 - Tremaine egress completion \$190,000
 - Board Room Team HW - \$20,000
 - MS Server Licenses - \$30,000
 - Building – security cameras - \$62,000
 - 2021B
 - Server/Firewall/Desktops - \$88,000
 - Cayenta Financial upgrade - \$250,000
 - Workforce automation - \$100,000
 - Northstar Automation Platform - \$45,000
 - Control Room Hardware -\$50,000

- Website Update -\$25,000
- Building – Drainage system - \$40,000
- Squirt Boom Ariel Truck - \$225,000

- **Capital Expenditures –**

As required by the OEB, distributors are now required to report investment projects and activities into one of four investment categories; System Access, System Renewal, System Service and General Plant. Milton Hydro, starting in 2015 has revised its budgeting of Capital to reflect these new categories.

- Milton Hydro is projected be on budget to spend \$6.7 M on net capital expenditures during 2020.
 - Net Capital expenditures in 2021 are forecasted to be \$8.7 M including a number of Municipal/Region projects (\$4.0M gross capex). Milton Hydro is projecting 1,000 new Subdivision connections.
- The 2020 Budget envisioned a Net Cash inflow of \$2.99M which included obtaining net third party financing in 2020 of \$4.0 M; it is projected for 2020 that there will be a Net Cash outflow of (\$4.25M). There is an increase of \$3.42 M in the Regulatory asset accounts from 2019 to 2020P – this is due to timing – regulatory accounts are disposed of during the next COS. It is projected that 2021 will have a Net Cash outflow of (\$1.9M) with \$8.7 M in net capex spending anticipated.

The results of the Corporation's operations are outlined in the following section.

Milton Hydro Distribution Inc. Variance Analysis

FINANCIAL SUMMARY

Results of Operations

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Net Distribution Revenue	\$ 17,651,774	\$ 18,203,473	\$ 18,932,283	\$ 18,500,558	\$ 19,221,012
Other Income (incl Finance Income)	\$ 2,607,092	\$ 2,071,882	\$ 2,287,011	\$ 2,154,280	\$ 2,407,150
Controllable Expenses	\$ 9,488,241	\$ 10,081,958	\$ 10,612,469	\$ 10,008,042	\$ 10,911,340
Depreciation	\$ 3,761,991	\$ 4,100,681	\$ 4,440,409	\$ 4,573,257	\$ 4,971,490
Interest	\$ 2,606,634	\$ 2,866,800	\$ 2,787,353	\$ 2,761,067	\$ 2,803,038
Removals	\$ 25,965	\$ 49,291	\$ 650,000	\$ 650,000	\$ 350,000
Net Income Before Tax & Reg Movement	\$ 3,318,028	\$ 5,918,878	\$ 2,729,062	\$ 2,662,472	\$ 2,592,294
Total PILs	\$ 1,270,930	\$ 721,235	\$ 723,200	\$ 705,616	\$ 687,000
Regulatory Movement/Taxes	\$ (2,255,898)	\$ 3,199,674	\$ -	\$ -	\$ -
Other Comprehensive loss					
Net Income After Tax & Regulatory Movement	4,302,996	1,997,969	2,005,862	1,956,856	1,905,294
% increase (decrease)	45.2%	-53.6%	0.4%	-2.4%	-2.6%

2020 Projected net earnings after tax of \$1,956,856 is estimated to be \$49,006 lower than 2020 Budget.

- lower Controllable Expenses - \$604,427
- lower Interest Expenses - \$26,286
- lower PILS - \$17,584

Offset by:

- lower Other Income - \$132,731
- lower Distribution Revenue - \$431,725
- higher Depreciation - \$132,848

2021 Budgeted Net earnings after tax of \$1,905,294 is forecast to be \$51,562 lower than 2020 Projected.

- higher Controllable Expenses - \$903,298
- higher Depreciation Expense - \$398,233
- higher Interest Expense - \$41,971

Offset by:

- higher Distribution Revenue - \$720,454
- higher Other Income - \$252,870
- lower PILS - \$18,616
- lower Removal Costs - \$300,000

Distribution Revenue

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Net Distribution Revenue	\$ 17,651,774	\$ 18,203,473	\$ 18,932,283	\$ 18,500,558	\$ 19,221,012
% increase (decrease)	6.2%	3.1%	4.0%	-2.3%	3.9%

Projected Net Distribution Revenue for 2020 is expected to be \$18.50 million, \$431,725 or -2.3% under plan. The variance is attributable mainly to the following factors:

- Rates - Distribution rates effective for May 1, 2020 are based on Milton Hydro's OEB-approved rate adjustment of 1.85% (inflation adjustment of 2.00% with stretch factor 0.15%);
- Connections – it is expected that there will be approximately 700 new residential connections for 2020 and the budget envisioned 1,000 new residential connections.
- Effective May 2019, Milton Hydro has transitioned to a 100% fixed rate for residential customers – residential customers comprise approximately 70% of Milton Hydro's customers. Historically, average consumption by residential customers has been significantly impacted by weather, conservation, technology, etc. (May 1, 2020 -\$28.39 per month)
- Demand – Large Volume GS customers (>50KW) using demand as the determinant for variable distribution charges.

Net Distribution revenue for 2021 is expected to increase by \$720,454 or 3.9% over 2020 Projected to \$19.22 million. The increase is attributable to the following:

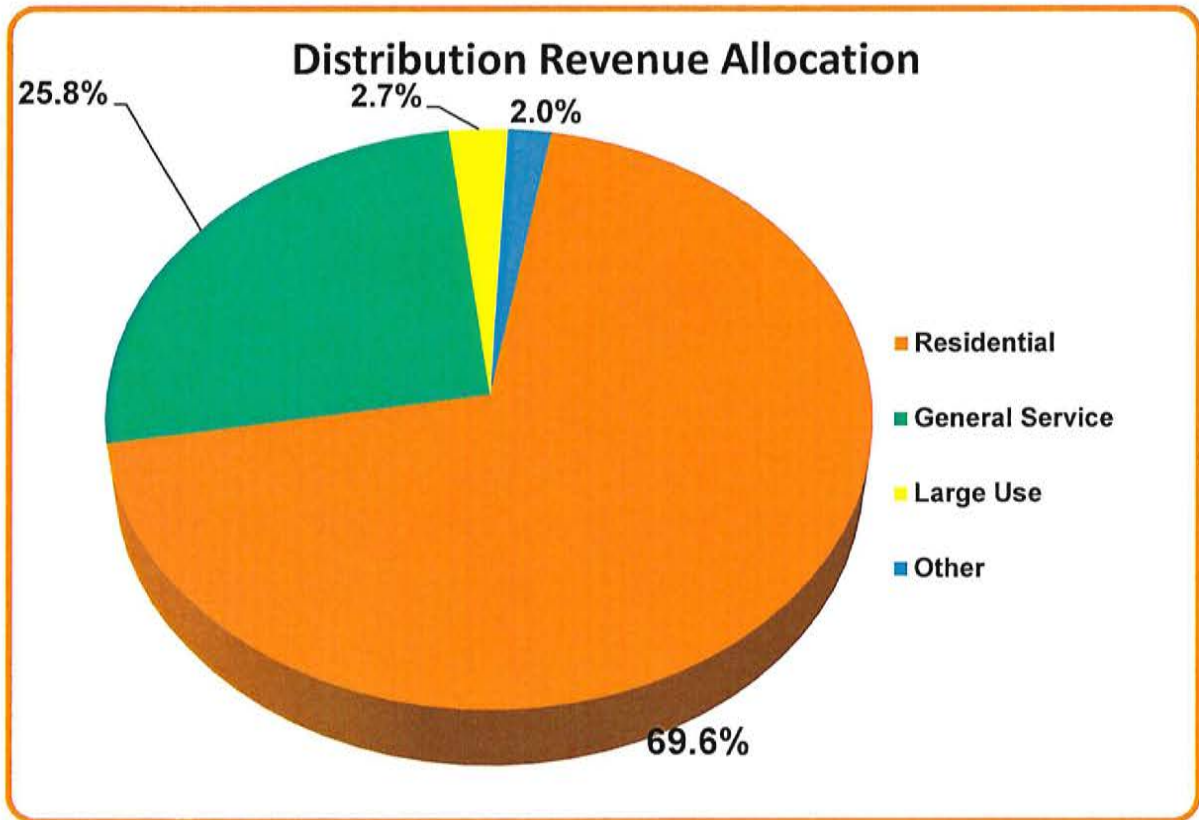
	# of Customers / Billing			Billing Determinants (kWh/kW)			Net Revenue		
	2020Proj	2021	Diff	2020Proj	2021	Diff	2020Proj	2021	Diff
Residential	38,021	39,021	1,000	357,798,435	354,493,550	-0.9%	\$12,871,864	\$13,428,551	\$556,686
GS< 50kW	2,781	2,886	105	81,478,608	84,846,150	4.1%	2,088,303	2,222,617	\$134,313
GS>50kW	355	357	2	573,364	583,674	1.8%	2,120,228	2,197,739	\$77,511
GS>1000kW	15	15	0	288,102	302,606	5.0%	599,564	641,697	\$42,133
Large Use	3	3	0	263,386	275,411	4.6%	498,733	527,166	\$28,433
Streetlight	0		0	14,452	7,482	-48.2%	253,797	134,201	(\$119,596)
Sent Light	0		0	384	384	0.0%	30,559	31,163	\$604
MicroFit	0		0	n/a	n/a	n/a	37,510	37,879	\$369
	41,175	42,282	1,107				\$18,500,558	\$19,221,012	\$720,454

▪ Distribution Volumes

- Overall electricity distributed on the system is expected to increase in 2021 due primarily to the continued growth from residential development in the Town of Milton. There are expected to be 1,000 new residential units connected in each of 2021 through 2024.
- For the Residential customers, the impact of consumption will be marginalized since we moved to a 100% fixed distribution rates effective May 1, 2019.
- In 2021, it is expected that GS<50kW will add 105 customers with an average consumption of 2,434 kWh.
- For the larger volume industrial/commercial accounts, the forecast is for 2 new GS>50 customers in each of 2021 through 2024 with average monthly demand of 137 kW.

- There are 15 existing GS>1000 customers forecast in 2020. Demand is forecast at 1,681 kW.
- The Large Use customer class is forecast to remain stable at an average demand of 7,650 kW. There are no new customers in the forecast.
- The total customer count is expected to be 41,175 by the end of 2020 (excluding streetlight and sentinel light customers), and increase to 42,282 or 1,107 customers in 2021.

Total 2020P distribution revenue composition is marginally different from the prior year with approximately 69.6% of revenue from residential customers, 25.8% from general service customers. The composition is continuing to shift to residential class as this is where the largest customer growth has been. Milton Hydro's 3 largest customers account for 2.7% of Distribution Revenue.



Other Income

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Other Income	\$ 2,607,092	\$ 2,071,882	\$ 2,147,011	\$ 2,054,357	\$ 2,302,232
Finance Income	\$ 182,493	\$ 197,471	\$ 140,000	\$ 99,923	\$ 104,919
Total Other Income	\$ 2,789,585	\$ 2,269,353	\$ 2,287,011	\$ 2,154,280	\$ 2,407,150
% increase (decrease)	33.3%	-18.6%	0.8%	-5.8%	11.7%

In 2020, Other Income is projected to be \$132,731 (-5.8%) lower than 2020 budget. The decrease is primarily attributable to:

- Lower Collection/Reconnection Charges -\$6,000 – OEB mandated no collection charges effective July 1, 2019
- Lower Region /Water Revenue - \$3,000
- Lower Interval Meter Reads - \$9,000
- Lower Interest Income - \$40,000
- Lower Occupancy Charges - \$42,000
- Lower Pole Rental Fees - \$14,000
- Lower Sale of Scrap- \$8,500
- Lower Deferred Revenue- \$39,000
- Lower Miscellaneous Revenue -\$7,000 (mainly due to recovery of writeoffs)

Offset by:

- Higher RSVA Charges - \$23,500
- Higher Customer Interest Charges - \$14,000

Other Income for 2021 is forecast to increase by \$252,870 (11.7%) over 2020P. The increase is primarily attributable to:

- Increase in Region Water Charges - \$32,000 in line with growth
- An increase in Deferred Revenue - \$85,000
- An increase in Occupancy Charges -\$27,000
- An increase in Interest Income \$5,000
- An increase in Interest Charges/Pole Attachment fees - \$10,000
- An increase in Miscellaneous Revenue - \$112,000 - recoveries
- **Offset by:**
- A decrease in RSVA Charges - \$18,000

Operations & Maintenance Expense

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Maintenance	\$ 2,643,166	\$ 2,904,873	\$ 2,819,738	\$ 2,548,258	\$ 2,831,226
Tree Trimming	\$ 373,691	\$ 325,314	\$ 373,573	\$ 380,120	\$ 352,229
Underground Locates	\$ 373,373	\$ 383,562	\$ 330,000	\$ 404,513	\$ 380,100
Customer Premises	\$ 382,742	\$ 359,653	\$ 399,498	\$ 354,909	\$ 399,466
Total Operating Exp	\$ 3,772,972	\$ 3,973,402	\$ 3,922,810	\$ 3,687,800	\$ 3,963,022
% increase (decrease)	13.1%	5.3%	1.9%	-6.0%	7.5%

Operations & Maintenance Expense for 2020 is projected to be \$235,010 lower than 2020 budget (-6.0%). The decrease is attributed to the following:

- Lower Customer Premises – \$45,000
- Lower Maintenance - \$168,000
- Lower Engineering/Stores – \$174,000 – did not hire Director of Operations, better allocation of management time between capital and maintenance projects & lower inventory adjustments

OFFSET BY

- Higher Bell & Cable - \$17,000
- Higher Tree Trimming - \$6,500
- Higher Locates - \$75,000
- Higher Station Service - \$17,000
- Higher Meter Maintenance - \$37,000 – difference in allocation between capital & O&M

Operations & Maintenance Expense for 2021 is projected to be \$275,222 higher than 2020 Projected (7.5%). The increase (decrease) is attributed to the following:

- Engineering/Stores Administration – \$143,000 – includes a full year of a Purchasing Manager
- Control Room - \$24,000
- Customer Premises – \$45,000
- Maintenance/Substations – \$143,000
- Bell & Cable Hits - \$5,000
- Underground locates – (\$24,000)
- Meter Maintenance – (\$32,000)
- Tree Trimming – (\$28,000) - in line with Milton Hydro's trimming schedule

Administration Expense

Administration Expenses are comprised of the following:

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Promotion/Community Relations	\$ 10,120	\$ 9,651	\$ 17,500	\$ 22,000	\$ 35,600
Billing/Meter Reading	\$ 1,406,992	\$ 1,420,356	\$ 1,516,697	\$ 1,465,278	\$ 1,500,573
Finals/Collections	\$ 692,133	\$ 700,512	\$ 759,587	\$ 709,391	\$ 753,826
General Administration	\$ 2,973,834	\$ 3,362,230	\$ 3,697,800	\$ 3,488,275	\$ 3,916,877
Board	\$ 86,818	\$ 95,431	\$ 63,817	\$ 96,129	\$ 98,782
Building	\$ 545,373	\$ 520,376	\$ 634,259	\$ 539,170	\$ 642,660
TOTAL ADMINISTRATION	\$ 5,715,269	\$ 6,108,556	\$ 6,689,660	\$ 6,320,242	\$ 6,948,318
% increase (decrease)	1.9%	6.9%	13.2%	-5.5%	9.9%

Total Administration Expense for 2020P is expected to be (\$369,418) or (-5.5%) lower than 2020B plan due to:

- **Promotions/Community Relations** – overall \$4,500 higher than plan due to increase in advertising - Community School Safety programs performed on a rotational 3 year program and consulting fees relating to social media
- **Billing/Meter Reading/Finals/Collections** - overall (\$101,615) lower than plan
 - Direct Labour – (\$12,000)
 - Postage/ Customer bills (\$87,000)
 - Training/conferences (Harris Training delayed) (\$19,000)
 - Credit Insurance (\$15,000)
 - Subcontract Meter reading/Olameter Probing (\$15,000)
 - Bad Debt increase \$47,000
- **General Administration** – overall (\$209,525) lower than plan due to:
 - Direct Labour - Director of Ops (vacant) (\$59,000)
 - Audit & Legal costs (\$ 7,000)
 - Incentive Plan/Employee Future Benefits \$42,000
 - Consulting/Regulatory-(\$159,884)
 - Distribution System Plan (delayed) (\$ 50,000)
 - Customer Workbook Survey - delayed (\$100,000)
 - Business Continuity Plan – delayed (\$ 30,000)
 - Telephone (\$ 11,000)
 - Disaster Recovery (\$ 20,000)
 - Safety Consulting (\$ 22,000)
 - Conventions/Training – cancelled due to Covid19 (\$ 42,000)
 - Security Audit (\$ 5,500)
 - Cyber Security - Esentire \$ 37,000
 - Motivational speaker \$ 9,000
 - Harris/Northstar/File Nexus support \$ 6,000
 - Head Hunter (CFO) \$40,000
 - Portal support/consulting \$10,000

- **Building** – overall (\$95,090) lower than plan due to:
 - Direct Labour – (\$86,000) Labourer position vacant for 6 months
 - Outside Maintenance contracts (\$9,000) lower than anticipated – mainly related to lower heating repairs

Total Administration Expense for 2021 is budgeted to be \$628,076 higher than 2020P, representing a 9.9% increase due to:

- Direct Labour - \$287,000
 - Compensation for bargaining unit staff reflects estimated collective agreement (2.0%) and an estimate for total compensation relating to management staff.
 - Four (4) additional hires in 2021 – Communications Officer (new), Operation Supervisor (vacant), and two Apprentice Lineman (new)
- Consulting – (\$70,000)
 - Safety Consulting – (\$14,000)
 - Post Employment Benefit Actuarial Valuation – (\$8,000)
 - General Consulting -\$15,000
 - Labour Negotiation Assistance – (\$15,000)
 - Business Continuity - \$20,000
 - Customer Portal Support (Silverblaze) –(\$25,000)
 - CFO recruiting – (\$40,000)
 - File Nexus Upgrade =(\$3,000)
- Software Maintenance - \$44,000
- Management Fees/Admin Allocation – \$20,000
- Audit/Legal - \$8,500
- Regulatory - \$237,000 (Distributon System Plan consulting; Customer Engagement consulting)
- Postage/Billing - \$7,500
- Community/promotion programs – \$14,000
- Board Expenses - \$3,000
- Building Expenses – \$104,000
- Bad Debt –(\$20,000)
- Misc Office Equipment –(\$7,000)

To-date, Milton Hydro has drawn down the entire \$20,044,000 under the Financing Agreement No. 12Mil9300712059FA with Infrastructure Ontario dated March 27, 2013.

	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Promissory Note	Total
Principal Amount	\$3,044,000	\$3,900,000	\$7,800,000	\$4,000,000	\$1,300,000	\$20,044,000
Closing Date	01-May-13	15-Jul-14	15-Sep-14	01-Jul-15	01-Sep-15	
Maturity Date	01-May-38	15-Jul-39	15-Sep-39	01-Jul-40	01-Sep-40	
Annual Interest Rate (fixed)	3.74%	3.97%	3.04%	3.55%	3.31%	
Loan Term	25 years	25 years	25 years	25 years	25 years	
Payment Frequency	Semi Annual	Semi Annual	Semi Annual	Semi Annual	Semi Annual	
Loan Type	Amortizing	Amortizing	Amortizing	Amortizing	Amortizing	

In 2016, Milton Hydro drew \$3.0M on December 15, 2016. On December 16, 2019, Milton Hydro drew down the remaining \$1.0M.

	Promissory Note	Promissory Note	Total
Principal Amount	\$3,000,000	\$1,000,000	\$4,000,000
Closing Date	15-Dec-16	16-Dec-19	
Maturity Date	15-Dec-46	16-Dec-49	
Annual Interest Rate	3.74%	3.10%	
Loan Term	30 years	30 years	
Payment Frequency	Semi Annual	Monthly	
Loan Type	Amortizing	Amortizing	

TD Bank:

On December 11, 2015, Milton Hydro signed a Pari Passu Agreement with TD and IO and a new TD bank agreement. The agreement includes an Operating Line (\$4,000,000) and a Letter of Credit with the IESO of \$3,000,000. The agreement includes \$12 million in Long Term Facilities. On December 22, 2015 and July 20, 2018, Milton Hydro drew down \$4 million and on October 4, 2019, Milton Hydro drew \$3.0 million; and \$1.0 million in December 2019. Milton Hydro drew \$4.0 million in July 2020.

	TD Interest Swap Loan	TD Interest Swap Loan	TD Interest Swap Loan	Total
Principal Amount	\$4,000,000	\$4,000,000	\$3,000,000	\$11,000,000
Closing Date	15-Dec-15	01-Jul-18	04-Oct-19	
Maturity Date	15-Dec-45	01-Jul-48	04-Oct-49	
Annual Interest Rate (fixed)	3.58%	3.90%	3.146%	
Loan Term	30 years	30 years	30 years	
Payment Frequency	Monthly	Monthly	Monthly	
Loan Type	Amortizing	Amortizing	Amortizing	

On June 12, 2020, Milton Hydro signed an amending agreement to the Credit Facility agreement dated December 11, 2015. The amending agreement includes a temporary increase to the Operating Line to \$8.0M until November 30, 2020 and \$12.0M in Long Term Facilities in \$4.0M increments.

	Fixed Rate Term Loan			Total
Principal Amount	\$4,000,000			\$12,000,000
Closing Date	06-Jul-20			
Maturity Date	06-Jul-50			
Annual Interest Rate	2.35%			
Loan Term	30 years			
Payment Frequency	Monthly			
Loan Type	Amortizing			

During the forecast period, Milton Hydro is planning to borrow as follows:

- July 2021 - \$4.0M – Interest rate – 3.0%
- July 2022 - \$4.0M – Interest rate – 3.0%
- July 2023 - \$4.0M – Interest rate – 4.0%
- July 2024 - \$4.0M – Interest rate – 4.0%

Depreciation

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Depreciation	\$ 3,761,991	\$ 4,100,681	\$ 4,440,409	\$ 4,573,257	\$ 4,971,490
% increase (decrease)	8.0%	9.0%	8.5%	3.0%	8.7%

MHDI is projected to spend \$8.9 million on gross capital expenditures during 2020P. Costs include the following:

- Town/Region/subdivision projects – \$5 million
- Building – cameras \$62,000
- Customer Service/Meter reverification - \$1.9 million
- System Renewal - \$1.7 million
- System Automation - \$380,000
- NBV Removals – (\$650,000)

Gross Capital Expenditures in 2021B are expected to be \$13.3 million (net \$8.7 million). Included in 2021B net expenditures are costs relating to the following:

- Town/Region/subdivision projects - \$8.2 million
- System Automation - \$835,000
- Building – draining system - \$40,000
- Financial/Billing System upgrade - \$300,000
- Workforce automation - \$100,000
- Squirt boom Aerial Truck -\$225,000
- NBV Removals (\$350,000)

Income Taxes (PILS)

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Total PILs	\$ 1,270,930	\$ 721,235	\$ 723,200	\$ 705,616	\$ 687,000
Effective tax rate	26.5%	26.5%	26.5%	26.5%	26.5%

The Corporation is required to make payments in lieu of income taxes and remit such amounts to the Ministry of Finance. The amount of payments in lieu of tax will be approximately equivalent to the income and capital taxes that would have to be paid if the Company was a taxable corporation under the Income Tax Act (Canada).

Milton Hydro accounts for all significant timing differences as Deferred PILs on the balance sheet.

CAPITAL RESOURCES AND LIQUIDITY

Dividends

The budget anticipates dividend payments by MHDI to Milton Hydro Holdings Inc. (MHDI) as follows:

- 2020P - \$1.50 million
- 2021 - \$1.50 million
- 2022 - \$1.50 million
- 2023 - \$1.50 million
- 2024 - \$1.50 million

External Credit Facilities

MHDI has arranged bank credit consisting of a \$4.0 million operating line to address working capital requirements and a \$3.0 million Letter of Credit that have been posted with the Independent Electricity Supply Operator (“IESO”). In April, 2020, TD approved a temporary increase to the operating line to \$8.0M due to the pandemic; the temporary increase expires on November 30, 2020 at which time the operating line will reduce to \$4.0M.

Third party borrowings (net of principle payments) totaling \$47.9 million are projected by the end of 2020 to fund capital expenditures. Borrowings of \$4.0 million in each of 2021-2023 will be required during the forecast period to fund the capital program. Interest is assumed to be 3.0% during 2021-2022 and 4.0% thereafter.

Liquidity

The Cash balance at the end of 2020 is projected to be \$6.4 million and \$4.5 million at the end of 2021.

4.12

The Corporation continues to follow an aggressive capital spending plan in line with the significant residential development in the Town of Milton. The Corporation expects to spend \$8.9 million in gross capital (\$6.7 million net capex) expenditures in 2020 and \$13.3 million in 2021 (\$8.7 million net capex).

KEY PERFORMANCE INDICATORS	Explanation	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 budget	2023 budget	2024 budget
Current Ratio	Current Assets divided by Current Liabilities	1.57	1.51	1.63	1.35	1.26	1.39	1.39	1.40
Debt Ratio	Total Liabilities divided by Total Assets	0.67	0.68	0.70	0.70	0.72	0.72	0.73	0.73
	Long Term Debt divided by Rate Base	59.1%	57.3%	61.0%	57.3%	57.9%	57.3%	58.0%	58.6%
	Long Term Debt divided by LTD + Equity	55.3%	56.2%	56.8%	57.0%	57.6%	58.1%	58.5%	58.8%
Operating Surplus as a percentage of Total Revenues from Energy Sale	Net Income divided by Total Revenues from Energy Sale	4.2%	1.8%	1.9%	1.6%	1.4%	1.5%	1.5%	1.5%
Working Capital to Net Expenses	Working Capital divided by the sum of Cost of Power and Controllable Expenses	10%	9.3%	11.1%	6.2%	4.6%	6.8%	6.7%	6.9%
Accounting Return on Equity (Net Income/Total Equity per B/S - end)	Net Return divided by Equity	9.6%	4.4%	4.4%	4.3%	4.1%	4.6%	4.6%	4.6%
NET EARNINGS		\$ 4,302,996	\$ 1,997,969	\$ 2,005,862	\$ 1,956,856	\$ 1,905,294	\$ 2,122,303	\$ 2,166,542	\$ 2,199,524
EBT		\$ 3,318,028	\$ 5,918,878	\$ 2,729,062	\$ 2,662,472	\$ 2,592,294	\$ 2,887,503	\$ 2,947,642	\$ 2,992,524
Equity		\$ 44,644,597	\$ 45,142,566	\$ 45,915,373	\$ 45,599,422	\$ 46,004,716	\$ 46,627,019	\$ 47,293,561	\$ 47,993,085
LTD + Equity		\$ 99,974,708	\$ 103,067,012	\$ 106,236,330	\$ 105,933,275	\$ 108,597,760	\$ 111,329,737	\$ 113,956,802	\$ 116,469,858

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Rate Base Calculation

Rate of Return Analysis	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Deemed Debt ratio	60%	60%	60%	60%	60%	60%	60%	60%
Deemed CER	40%	40%	40%	40%	40%	40%	40%	40%
Rate Base (Avg. Net Fixed Assets plus WC):								
<i>Net Fixed Assets (avg begin and end)</i>	85,171,547	92,380,931	89,953,669	95,453,109	97,022,766	101,467,323	103,479,558	105,251,569
<i>Working Capital Allowance:</i>	8,408,137	8,756,109	8,915,244	9,832,037	11,115,614	11,405,072	11,547,801	11,691,176
<i>COP & Controllable Expenses</i>	112,108,487	116,748,123	118,869,920	131,093,827	148,208,190	152,067,627	153,970,675	155,882,349
<i>Less: Depr and Sent Lgt Exp incl in O&M **</i>	112,108,487	116,748,123	118,869,920	131,093,827	148,208,190	152,067,627	153,970,675	155,882,349
<i>7.5% of COP & Controllable Expenses</i>	8,408,137	8,756,109	8,915,244	9,832,037	11,115,614	11,405,072	11,547,801	11,691,176
<i>Effective (May 1, 2016- Working Capital 7.5%)</i>								
Total Deemed Rate Base	93,579,684	101,137,040	98,868,913	105,285,146	108,138,381	112,872,395	115,027,358	116,942,745
Deemed Debt	56,147,810	60,682,224	59,321,348	63,171,088	64,883,028	67,723,437	69,016,415	70,165,647
Deemed Equity	37,431,874	40,454,816	39,547,565	42,114,058	43,255,352	45,148,958	46,010,943	46,777,098
Total debt and equity	93,579,684	101,137,040	98,868,913	105,285,146	108,138,380	112,872,395	115,027,358	116,942,745

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**Milton Hydro Distribution Inc.
Operating & Maintenance Expenses**

	2017 Actual	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	VARIANCE Proj20 - Bud20	VARIANCE Budget21 - Proj20
Transformer Station	\$ 59,666	\$ 37,960	\$ 42,166	\$ 59,852	\$ 77,724	\$ 92,021	\$ 17,871	\$ 14,297
Overhead Lines	\$ 468,144	\$ 761,700	\$ 775,842	\$ 514,244	\$ 446,718	\$ 535,472	\$ (67,527)	\$ 88,754
Underground Lines	\$ 148,734	\$ 67,439	\$ 103,220	\$ 167,974	\$ 123,855	\$ 145,109	\$ (44,119)	\$ 21,254
Maintenance of Line Transformers	\$ 176,479	\$ 178,194	\$ 278,315	\$ 272,514	\$ 179,346	\$ 198,130	\$ (93,169)	\$ 18,785
Tree Trimming	\$ 259,508	\$ 373,691	\$ 325,314	\$ 370,828	\$ 380,120	\$ 352,229	\$ 9,292	\$ (27,890)
Underground Locates	\$ 378,024	\$ 373,373	\$ 383,562	\$ 330,000	\$ 404,513	\$ 380,100	\$ 74,513	\$ (24,413)
Meter Maintenance	\$ 369,993	\$ 412,303	\$ 389,427	\$ 352,239	\$ 389,561	\$ 357,386	\$ 37,323	\$ (32,175)
Bell & Cable	\$ 10,797	\$ 10,491	\$ 17,764	\$ 17,944	\$ 35,087	\$ 40,354	\$ 17,143	\$ 5,267
Customer Premises	\$ 302,193	\$ 382,742	\$ 359,653	\$ 367,600	\$ 354,909	\$ 399,466	\$ (12,691)	\$ 44,557
Engineering Administration	\$ 730,958	\$ 784,974	\$ 847,852	\$ 882,610	\$ 817,507	\$ 876,376	\$ (65,103)	\$ 58,870
Stores Administration	\$ 244,860	\$ 251,505	\$ 305,263	\$ 382,004	\$ 273,461	\$ 357,544	\$ (108,544)	\$ 84,083
Control Room contract services	\$ 185,550	\$ 138,600	\$ 145,025	\$ 205,000	\$ 205,000	\$ 228,833	\$ -	\$ 23,833
Total Operating & Maintenance Expenses	\$ 3,334,905	\$ 3,772,972	\$ 3,973,401	\$ 3,922,810	\$ 3,687,800	\$ 3,963,022	\$ (235,010)	\$ 275,222

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Milton Hydro Distribution Inc.
Administration Summary

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	\$ Variance 2020P - 2020B	\$ Variance 2021B - 2020P
Community Relations	\$ 10,120	\$ 9,650	\$ 17,500	\$ 22,000	\$ 35,600	\$ 4,500	\$ 13,600
Meter Reading	\$ 267,407	\$ 246,096	\$ 312,833	\$ 301,082	\$ 315,905	\$ (11,752)	\$ 14,824
Billing	\$ 1,139,585	\$ 1,174,260	\$ 1,203,864	\$ 1,164,196	\$ 1,184,668	\$ (39,667)	\$ 20,471
Finals	\$ 426,116	\$ 414,231	\$ 467,891	\$ 441,659	\$ 478,092	\$ (26,232)	\$ 36,433
Collections	\$ 266,016	\$ 286,281	\$ 291,696	\$ 267,732	\$ 275,734	\$ (23,963)	\$ 8,001
Board Expenses	\$ 86,818	\$ 95,431	\$ 63,817	\$ 96,129	\$ 98,782	\$ 32,312	\$ 2,653
Executive Expenses	\$ 1,038,503	\$ 1,107,271	\$ 1,262,660	\$ 1,261,407	\$ 1,252,389	\$ (1,253)	\$ (9,018)
General Administration	\$ 1,935,331	\$ 2,254,959	\$ 2,435,140	\$ 2,232,368	\$ 2,664,489	\$ (202,772)	\$ 432,120
Building Expense	\$ 545,373	\$ 520,376	\$ 634,259	\$ 539,170	\$ 642,660	\$ (95,090)	\$ 103,491
Total Administration	\$ 5,715,269	\$ 6,108,556	\$ 6,689,660	\$ 6,325,742	\$ 6,948,318	\$ (363,917)	\$ 622,576

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E	F	BJ	BN	BO	BQ	BR
Account #	Description	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
1	Account #					
2						
3	5410.7010.001.001					
4	5410.7010.001.002					
5	.00					
6	.00					
7	5410.7010.002.005					
8	.00					
9	.00					
10	5410.7010.004.072					
11	.00					
12	.00					
13	5410.7010.005.087					
14	5410.7010.005.088					
15	5410.7010.005.089					
16	5420.0000.000.000					
17	5410.7010.005.092					
18	.00					
19						
20	.00					
21	.00					
22	.00					
23	5315.7020.001.001					
24	5315.7020.001.002					
25	.00					
26	5315.7020.004.032					
28	5315.7020.004.032					
29	5315.7020.004.033					
30	5315.7020.004.034					
31	5315.7020.004.035					
32	5315.7020.004.054					
33	5315.7020.004.055					
34	5315.7020.004.076					
35	.00					
36	.00					
37	5315.7020.002.005					
38	5315.7020.005.089					
39	5315.7020.005.091					
40	5315.7020.005.092					
41	5315.7020.005.093					
42	5315.7020.005.094					
43	5315.7020.007.019					
44	5315.7020.007.020					
45	5315.7020.007.021					
46						
47	5315.7020.007.022					
48	5315.7020.007.025					
49	5315.7020.007.026					
50	5315.7020.007.027					
51	5315.7020.007.028					
52	5315.7020.007.029					
53	5315.7020.008.000					
54	5315.7020.009.000					
55	5335.7020.013.000					
56	5315.7020.015.057					
57	5315.7020.900.900					
58	.00					
59	5315.0000.000.000					
60	.00					
61	.00					
62	5310.7030.001.000					
63	5310.7030.001.001					
64						
65	.00					
70	5310.7030.004.030					
71	5310.7030.004.031					
72	5310.7030.004.032					
73	5310.7030.004.047					
74	5310.7030.004.072					
75	.00					
76	.00					
77	5310.7030.007.027					
78	.00					
79	5310.0000.000.000					

E	F	BJ	BN	BO	BQ	BR	
1	Account #	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	
80	.0.0	TOTAL METER READING	267,407	246,096	312,833	301,082	315,905
81	.0.0						
82	.0.0						
83	.0.0						
84	5310.7031.001.001		1,030				
85	5315.7031.001.001	425,268	412,802	461,091	441,595	472,492	
86	5315.7031.001.004						
87	5310.7031.001.002						
88	5315.7031.001.002				63		
89	.0.0	TOTAL LABOUR	425,268	413,831	461,091	441,659	472,492
94	5310.7031.004.030						
96	5315.7031.004.054			1,000			
97							
98	5315.7031.004.072						
99	5315.7031.004.072						
100	.0.0	TOTAL SUBCONTRACT	-	-	1,000	-	
101	.0.0						
102	5315.7031.005.091			800	0	800	
103	5315.7031.005.092			400	1,000	1,000	
104	5315.7031.005.920	35					
105	5315.7031.005.093			3,800	0	3,800	
106	5310.7031.007.027	814					
107	5315.7031.007.027			200			
108	5310.7031.007.028						
109	5315.7031.007.028						
110	.0.0	TOTAL OTHER	849	400	5,800	-	5,600
111	.0.0						
112	.0.0	TOTAL FINALS	425,116	414,231	467,891	441,659	478,092
113	.0.0						
114	.0.0						
115	5320.7040.001.001	103,320	110,489	128,193	127,722	132,962	
116	5320.7040.001.002						
117	5320.7040.001.006						
118	5320.7040.001.007	43					
119	.0.0	TOTAL LABOUR	103,363	110,489	128,193	127,722	132,962
124	5320.7040.002.005	14	52,519	22,817	17,478	18,352	
125	5320.7040.004.030	50,330					
126	5320.7040.004.054						
127	5320.7040.004.055						
128	5320.7040.015.059	66,870	74,700	90,000	75,000	75,000	
129	5320.7040.004.072	40,320	40,320	42,336	40,320	40,320	
130	.0.0	TOTAL SUBCONTRACT	157,534	167,539	155,153	132,798	133,672
131	.0.0						
132	5320.7040.005.091	180	1,950	1,000	111	1,000	
133	5320.7040.005.092	151		200	200	200	
134	5320.7040.005.093	150	195	150	345	150	
135	5320.7040.007.021	1,287	1,552	1,500	1,500	1,500	
136	5320.7040.007.028	3,216	1,564	3,200	685	3,000	
137	5320.7040.007.029		2,567	2,000	4,200	3,000	
138	5320.7040.009.000		236	250	171	250	
139	5325.7040.014.000	(102)	(86)	50			
140	5320.7040.016.000						
141	.0.0	TOTAL OTHER	5,119	8,253	8,350	7,212	9,100
142							
143	.0.0	TOTAL COLLECTIONS	266,016	286,281	291,696	267,732	275,734
144	.0.0						
145	5610.8010.005.095		3,015	5,000	5,000	5,000	
146	5610.8010.001.001	993,212	1,038,062	1,220,360	1,233,275	1,219,089	
147	5610.8010.001.084	10,530	10,800	13,500	13,792	11,000	
148	5610.8010.005.091	369	1,476	5,100	463	5,100	
149	5610.8010.005.092	25,653	33,900	12,700	8,531	10,200	
150	5610.8010.005.093	8,740	20,020	6,000	345	2,000	
151		TOTAL EXECUTIVE EXPENSES	1,038,503	1,107,271	1,262,660	1,261,407	1,252,389
152	5615.8010.001.001	827,171	890,082	959,185	915,159	1,056,692	
153	5625.8010.001.001	(109,179)	(154,136)	(156,923)	(240,931)	(189,582)	
154	5615.8010.001.002						
155	5615.8010.001.084						
156	5615.8010.001.085		20,000				
157	.0.0	TOTAL LABOUR	717,995	755,946	802,262	674,228	907,140
158	.0.0						
159	5630.8010.004.031	4,246	4,772	4,800	4,800	5,040	
160	5630.8010.004.032	62,491	68,608	72,175	79,270	104,314	
161	5630.8010.004.034	285	226	400	400	400	
162	5630.8010.004.035	1,322	1,394	1,500	1,500	1,500	

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	E	F	BJ	BN	BO	BQ	BR
1	Account #	Description	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
163	5630.8010.004.036	PHOTOCOPIER MTC	5,262	5,262	6,000	5,260	6,000
164	5630.8010.004.031	AUDIT, LEGAL FEES	79,262	67,347	80,300	78,800	81,824
165	5630.8010.004.034	CLERICAL SERVICES		19,046		20,000	20,000
166	5630.8010.004.035	CONSULTING FEES	263,358	339,141	331,273	365,357	296,188
167	5655.8010.004.030	CUSTOMER CONSULTING - REG					
168	5655.8010.004.031	LEGAL REGULATORY EXPENSES					
169	5655.8010.004.035	REGULATORY EXPENSES (OEB)	108,350	117,900	307,500	164,470	391,420
170	5630.8010.004.036	TRANSITION COSTS					
171	5630.8010.004.037	OPA PROGRAM CONSULTING				511	600
172	5630.8010.004.070	PRINTING (NEW 2020)					
173	5630.8010.004.072	SUBCONTRACT	2,423	1,538	2,500	2,500	2,500
174	5630.8010.004.081	not in use					
175	5630.0000.000.000	OUTSIDE CONTRACTS					
176	..0.0	TOTAL SUBCONTRACT	527,000	645,234	806,448	712,868	909,786
177	..0.0	MEALS AND ENTERTAINMENT		3,183		2,000	2,000
179	5620.8010.005.095	MATERIAL	14	284	400		400
180	5620.8010.002.005	MEMBERSHIPS & DUES	86,650	73,479	93,211	89,920	92,726
181	5620.8010.005.080	COFFEE SUPPLIES	4,413	5,295	5,968	2,719	3,960
182	5620.8010.005.085	GIFTS & DONATIONS	40,757	62,082	46,400	46,800	46,000
183	5620.8010.005.088	MILEAGE/PARKING/AIRFARE	1,084	595	3,750	247	3,750
184	5620.8010.005.091	CONVENTIONS & MEETINGS	15,122	8,877	26,950	2,500	21,450
185	5620.8010.005.092	TRAINING/SEMINAR/SCHOOL	9,337	7,065	8,150	6,945	8,150
186	5620.8010.005.093	FREIGHT	8		50	336	300
187	5620.8010.005.094	ENVELOPES & LETTERHEAD	1,383	2,224	2,500	2,500	2,500
188	5620.8010.007.025	SUNDRY FORMS & LETTERS	3,101	1,082	2,000	2,000	2,000
189	5620.8010.007.027	SUNDRY OFFICE SUPPLIES	15,989	10,972	14,671	14,347	15,085
190	5620.8010.007.028	SUNDRY OFFICE EQUIPMENT	4,187	10,658	5,368	18,307	10,000
191	5620.8010.007.029	POSTAGE	6,050	6,665	3,632	6,357	7,000
192	5620.8010.008.000	TELEPHONE	55,655	54,695	58,873	47,887	50,281
193	5620.8010.009.000	BANK CHARGES	27,016	27,725	32,522	26,895	30,000
194	5620.8010.012.000	PL & PD INSURANCE	101,700	95,254	114,305	115,000	115,000
195	5635.8010.015.056	BLDGS & CONTENT INSURANCE	4,000	4,731	5,677	5,300	5,500
196	5635.8010.015.057	BOND INSURANCE					
197	5635.8010.015.058	LEGAL & ACCIDENT INS	18,116	17,041	20,450	18,000	19,000
198	5635.8011.015.059	PROP INSURANCE					
199	5635.8015.015.057	not in use					
200	5640.8010.015.056	not in use					
201	5645.8010.004.000	VACATION PAY ACCRUAL					
202	5645.8010.005.096	PENSION		55,957			
203	5645.8010.018.000	EMPLOYEE FUTURE BENEFITS	17,757	18,391	18,924	20,000	20,000
204	5655.8010.004.300	HYDRO ONE LOAD TRANSFER					
205	5655.8010.005.089	SUBSCRIPTIONS/ADVERTISING					
206	5655.8010.210.200	OEB LICENSE FEE	800	915	800	1,362	1,500
207	5655.8010.211.203	OEB COST AWARD	2,793	805	2,500	6,000	6,000
208	5660.8010.005.089	SUBSCRIPTIONS/ADVERTISING	3,155	2,647	2,736	2,114	2,443
209	5665.8010.003.300	PAY EQUITY ADJUSTMENT					
210	5665.8010.004.300	LOAD TRANSFER RECONCILIATION					
211	5665.8010.005.080	MEMBERSHIPS & DUES	250,816	249	0	0	0
212	5665.8010.016.000	INCENTIVE PLAN		326,723	245,453	286,754	293,026
213	5665.8010.017.000	LUMP SUM PAYMENT	20,434	112,224	111,541	112,338	80,433
214	5665.8010.019.000	MANAGEMENT FEE					
215	5665.8010.020.000	MOVING EXPENSES					
216	5670.8010.020.000	RENT ON 8089 LAWSON					
217	5685.8010.200.200	ADMIN LICENSE FEE (NEW 2020)	690,336	853,779	826,431	846,273	9,078
218	..0.0	TOTAL OTHER	1,935,331	2,264,959	2,435,140	2,232,368	2,664,489
225	..0.0						
226	..0.0	STIPENDS	55,656	54,957	37,250	57,536	58,582
228	5605.8011.001.090	PER DIEM	27,829	33,209	13,567	38,593	33,200
229	..0.0	TOTAL LABOUR	83,485	88,166	50,817	96,129	91,782
230	..0.0						
231	5605.8011.005.091	MILEAGE & PARKING	2,591	874	2,500		
232	5605.8011.005.092	CONVENTIONS	742	4,232	7,000	0	7,000
233	5605.8011.005.095	MEALS AND ENTERTAINMENT		2,159	3,500		
234	5605.8011.015.059	LEGAL & ACCIDENT INS					
235	..0.0	TOTAL OTHER	3,333	7,285	13,000	-	7,000
236	5605.0000.000.000						
237	..0.0	TOTAL BOARD	86,818	95,431	63,817	96,129	98,782
238	..0.0						
239	5675.8015.001.007	DIRECT LABOUR - OT	503				175

	E	F	BJ	BN	BO	BQ	BR
1	Account #	Description	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
240	5675.8015.001.001	DIRECT LABOUR	69,392	57,258	145,183	58,542	130,457
241	.0.0	TOTAL LABOUR	69,895	57,258	145,183	58,717	130,457
242	.0.0	MATERIAL	26,042	25,723	35,000	38,892	40,000
243	5675.8015.002.005	TOTAL MATERIAL	26,042	25,723	35,000	38,892	40,000
244	.0.0	TOTAL MATERIAL	26,042	25,723	35,000	38,892	40,000
245	.0.0	SNOW REMOVAL	24,550	24,350	28,500	34,200	34,200
246	5675.8015.004.038	LAWN MTCE	94	49,390	51,956	51,748	54,335
248	5675.8015.004.040	JANITORIAL SERVICE	48,234	15,796	19,112	21,421	23,563
249	5675.8015.004.043	HEATING A/C FIRE SEPTIC	21,422	79,968	75,000	46,194	58,150
250	5675.8015.004.052	MUSIC CONTRACT	95,841	2,796	500	500	700
251	5675.8015.004.072	O/S CONTRACT MAINTENANCE	640	172,301	175,068	166,819	185,848
252	5675.8015.004.079	SECURITY SYSTEM MTCE	554	157,190	164,369	168,621	177,052
253	5675.8015.007.028	SUNDRY OFFICE SUPPLIES	191,335	6,108,556	6,689,660	6,325,742	6,948,318
254	.0.0	TOTAL SUBCONTRACT	191,335	6,108,556	6,689,660	6,325,742	6,948,318
255	.0.0	TAXES	144,775	157,190	164,369	168,621	177,052
258	5675.8015.010.000	HYDRO. WATER, SEWAGE	113,326	107,904	114,640	106,120	109,303
259	5675.8015.011.000	ALLOCATION TO MHTI	258,101	285,094	279,009	274,741	286,356
260	5675.8015.020.000	TOTAL OTHER	258,101	285,094	279,009	274,741	286,356
261		Maintenance General Plant					
262	5675.0000.000.000						
263							
264		TOTAL BUILDING	545,373	520,376	634,259	539,170	642,660
270		GRAND TOTAL	5,715,269	6,108,556	6,689,660	6,325,742	6,948,318
283			1.9%	6,108,556	0		
284							
285		Direct Labour	(20,551)	70,415	281,199	(140,292)	351,917
286		Direct Labour - executives/car allow	28,335	56,122	241,120	13,208	(16,979)
287		Incentive Plan	(8,630)	35,229	(46,041)	41,301	6,272
288		Employee Future Benefits	(2,207)	(1,695)	-	3,500	-
289		Rent	-	-	-	(622)	-
290		Management Fee	(1,814)	22,247	130	(2,622)	(31,906)
291		Total Board	(520)	(3,678)	(35,292)	32,312	2,653
292		Total Building	(3,008)	(76,665)	30,039	(99,342)	95,060
293		Regulatory Costs	(50)	12,450	202,050	(153,030)	236,950
294		General Admin Consulting Fees	24,726	24,082	16,213	34,084	(69,169)
295		General Admin Misc	(4,929)	(8,679)	26,107	(3,919)	30,970
296		Billing Consulting Fees	1,566	1,982	(3,153)	(2,264)	(4,131)
297		All Other Billing Costs	(791)	(6,887)	2,379	(15,760)	5,094
298		Postage	1,497	1,768	10,766	(74,938)	7,557
299		Olaneter Probing /hand deliver	2,004	5,759	(24,401)	(4,479)	2,712
300		Trilliant Water Reading	-	-	-	-	-
301		EBT HUB Services	(107)	(395)	351	(1,626)	288
302		Insurance	-	-	-	-	-
303		Audit & Legal	4,538	21,847	14,800	(1,500)	3,024
304		Credit Insurance	(33,130)	(11,577)	3,723	(15,000)	-
305		Chemical	498	19,046	-	20,000	-
306		Software Mince * SM Metering	-	2,068	26,885	1,491	18,672
307		Mailing machine	(1,286)	25	1,247	1,019	737
308		Training Costs - others	6,154	(12,871)	24,176	(44,913)	39,663
309		Training/Conference - exec	7,072	(2,089)	(33,683)	(14,461)	7,961
310		Meals and Entertainment	1,881	1,881	-	-	-
311		Bad Debt Expense	21,263	40,897	3,500	46,500	(20,000)
312		Membership and Dues	-	249	-	2,000	-
313		Taxes	5	(2,391)	4,787	4,252	8,431
314		Total Promotion	(5,520)	(1,450)	6,400	4,500	13,600
315		Subcontract Collectins /Credit Agency	(250)	(2,566)	2,016	(4,391)	875
316		Collections Other misc	1,187	(954)	200	(365)	1,115
317		Moving Expenses	-	-	-	-	-
318		Misc Diff	16,052	199,262	755,521	(372,735)	691,368
319							

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E	F	BJ	BN	BO	BQ	BR	
Account #	Description	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	
1	Account #						
2							
3	5410.7010.001.001						
4	5410.7010.001.002						
5	.00						
6	.00						
7	5410.7010.002.005						
8	.00						
9	.00						
10	5410.7010.004.072	9,670	8,300	12,000	6,000	17,100	
11	.00	9,670	8,300	12,000	6,000	17,100	
12	.00						
13	5410.7010.005.087			1,500		1,500	
14	5410.7010.005.088	450	1,350	2,000	1,000	2,000	
15	5410.7010.005.089			2,000	1,000	2,000	
16	5420.0000.000.000			2,000	15,000	15,000	
17	5410.7010.005.092						
18	.00	450	1,350	5,500	16,000	18,500	
19	.00						
20	.00	TOTAL PROMOTION	9,650	17,500	22,000	35,600	
21	.00						
22	.00						
23	5315.7020.001.001	528,623	508,990	543,793	554,603	559,946	
24	5315.7020.001.002	491			5,000	0	
25	.00	529,113	508,990	543,793	559,603	559,946	
28	5315.7020.004.032	178,898	202,410	204,734	210,672	227,209	
29	5315.7020.004.033	4,670	2,934	5,500	3,125	4,000	
30	5315.7020.004.034						
31	5315.7020.004.035	11,861	12,499	13,722	14,741	15,478	
32	5315.7020.004.054						
33	5315.7020.004.055	78,472	70,705	65,560	63,296	59,166	
34	5315.7020.004.076	7,520	6,632	7,378	5,752	6,040	
35	.00	TOTAL SUBCONTRACT	295,179	296,894	297,586	311,892	
36	.00						
37	5315.7020.002.005		917	1,000			
38	5315.7020.005.089			2,700		2,700	
39	5315.7020.005.091	141	92	3,000	0	3,000	
40	5315.7020.005.092	35		7,550	0	7,550	
41	5315.7020.005.093	1,945					
42	5315.7020.005.094						
43	5315.7020.007.019						
44	5315.7020.007.020	3,273	6,546	8,000	5,829	6,000	
45	5315.7020.007.021	1,644					
46							
47	5315.7020.007.022						
48	5315.7020.007.025	12,730	9,728	12,000	5,542	6,000	
49	5315.7020.007.026	1,654	2,626	2,000		2,000	
50	5315.7020.007.027						
51	5315.7020.007.028	3,050	2,575	4,000	1,751	3,000	
52	5315.7020.007.029						
53	5315.7020.008.000	222,184	217,089	226,086	151,148	158,706	
54	5315.7020.009.000	15,628	15,297	18,840	16,649	17,482	
55	5335.7020.013.000	63,094	110,897	73,500	120,000	100,000	
56	5315.7020.015.057	3,692	4,324	4,500	6,088	6,392	
57	5315.7020.900.900						
58	.00	TOTAL OTHER	329,050	370,091	363,177	307,007	312,830
59	5315.0000.000.000						
60	.00	TOTAL BILLING	1,139,585	1,174,280	1,203,864	1,164,196	1,184,668
61	.00						
62	5310.7030.001.000						
63	5310.7030.001.001	93,896	74,427	119,128	110,963	121,812	
64							
65	.00	TOTAL LABOUR	93,896	74,427	119,128	110,963	121,812
70	5310.7030.004.030						
71	5310.7030.004.031						
72	5310.7030.004.032	134,104	135,305	157,798	153,352	155,487	
73	5310.7030.004.047						
74	5310.7030.004.072	10,448	13,893	13,000	12,073	12,676	
75	.00	TOTAL SUBCONTRACT	173,511	171,669	193,705	190,119	194,093
76	.00						
77	5310.7030.007.027						
78	.00	TOTAL OTHER	-	-	-	-	
79	5310.0000.000.000						

E	F	BU	BN	BO	BQ	BR
1	Account #	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
80	.0.0	267,407	246,096	312,833	301,082	315,905
81	.0.0					
82	.0.0					
83	.0.0					
84	5310.7031.001.001		1,030			
85	5315.7031.001.001	425,268	412,802	461,091	441,595	472,492
86	5315.7031.001.004					
87	5310.7031.001.002				63	
88	5315.7031.001.002					
89	.0.0	425,268	413,831	461,091	441,659	472,492
94	5310.7031.004.030					
96	5315.7031.004.054			1,000		
97						
98	5315.7031.004.072					
99	5315.7031.004.072					
100	.0.0			1,000		
101	.0.0					
102	5315.7031.005.091			800	0	800
103	5315.7031.005.092		400	1,000	0	1,000
104	5315.7031.005.920					
105	5315.7031.005.093			3,800	0	3,800
106	5310.7031.007.027	814				
107	5315.7031.007.027			200		
108	5310.7031.007.028					
109	5315.7031.007.028					
110	.0.0	849	400	5,800		5,600
111	.0.0					
112	.0.0	426,116	414,231	467,891	441,659	478,092
113	.0.0					
114	.0.0					
115	5320.7040.001.001	103,320	110,489	128,193	127,722	132,962
116	5320.7040.001.002					
117	5320.7040.001.006					
118	5320.7040.001.007	43				
119	.0.0	103,363	110,489	128,193	127,722	132,962
124	5320.7040.002.005	14				
125	5320.7040.004.030	50,330	52,519	22,817	17,478	18,352
126	5320.7040.004.054					
127	5320.7040.004.055	66,870	74,700	90,000	75,000	75,000
128	5320.7040.015.059	40,320	40,320	42,336	40,320	40,320
129	5320.7040.004.072	157,534	167,639	155,153	132,798	133,672
130	.0.0					
131	.0.0	180	1,950	1,000	111	1,000
132	5320.7040.005.091					
133	5320.7040.005.092	151	195	200	200	200
134	5320.7040.005.093	150	195	150	345	150
135	5320.7040.007.021	1,287	1,552	1,500	1,500	1,500
136	5320.7040.007.028	3,216	1,564	3,200	685	3,000
137	5320.7040.007.029		2,567	2,000	4,200	3,000
138	5320.7040.009.000	236	512	250	171	250
139	5325.7040.014.000	(102)	(86)	50		
140	5320.7040.016.000					
141	.0.0	5,119	8,253	8,350	7,212	9,100
142						
143	.0.0	266,016	286,281	291,696	267,732	275,734
144	.0.0		3,015	5,000	5,000	5,000
145	5610.8010.005.095					
146	5610.8010.001.001	993,212	1,038,062	1,220,360	1,233,275	1,219,089
147	5610.8010.001.084	10,530	10,800	13,500	13,792	11,000
148	5610.8010.005.091	369	1,476	5,100	463	5,100
149	5610.8010.005.092	25,653	33,900	12,700	8,531	10,200
150	5610.8010.005.093	8,740	20,020	6,000	345	2,000
151		1,038,503	1,107,271	1,262,660	1,261,407	1,262,389
152	5615.8010.001.001	827,171	890,082	959,185	915,159	1,096,692
153	5625.8010.001.001	(109,176)	(154,136)	(156,923)	(240,931)	(189,552)
154	5615.8010.001.002					
155	5615.8010.001.084					
156	5615.8010.001.085		20,000			
157	.0.0	717,995	755,946	802,262	674,228	907,140
158	.0.0					
159	5630.8010.004.031	4,246	4,772	4,800	4,800	5,040
160	5630.8010.004.032	62,491	68,608	72,175	79,270	104,314
161	5630.8010.004.034	285	226	400	400	400
162	5630.8010.004.035	1,322	1,394	1,500	1,500	1,500

E	F	BJ	BN	BO	BQ	BR	
1	Account #						
163	5630.8010.004.036	Description PHOTOCOPIER MTCE	2018 Actual 5,262	2019 Actual 5,262	2020 Budget 6,000	2020 Projected 5,260	2021 Budget 6,000
164	5630.8010.004.051	AUDIT, LEGAL FEES	79,262	87,347	80,300	78,800	81,824
165	5630.8010.004.054	CLERICAL SERVICES		19,046		20,000	20,000
166	5630.8010.004.055	CONSULTING FEES	263,358	339,141	331,273	365,357	296,188
167	5655.8010.004.050	CUSTOMER CONSULTING - REG					
168	5655.8010.004.051	LEGAL, REGULATORY EXPENSES					
169	5655.8010.004.055	REGULATORY EXPENSES (OEB)	108,350	117,900	307,500	154,470	391,420
170	5630.8010.004.056	TRANSITION COSTS					
171	5630.8010.004.057	OPA PROGRAM CONSULTING					
172	5630.8010.004.070	PRINTING (NEW 2020)				511	600
173	5630.8010.004.072	SUBCONTRACT	2,423	1,538	2,500	2,500	2,500
174	5630.8010.004.081	not in use					
175	5630.0000.000.000	OUTSIDE CONTRACTS					
176	.0.0	TOTAL SUBCONTRACT	527,000	645,234	806,448	712,868	909,786
177	.0.0	MEALS AND ENTERTAINMENT		3,183		2,000	2,000
179	5620.8010.005.095	MATERIAL	14	284	400		400
180	5620.8010.002.005	MEMBERSHIPS & DUES	86,650	73,479	93,211	89,920	92,726
181	5620.8010.005.080	MEMBERSHIPS & DUES					
182	5620.8010.005.085	COFFEE SUPPLIES	4,413	5,255	5,568	2,719	3,960
183	5620.8010.005.088	GIFTS & DONATIONS	40,757	62,082	46,400	46,800	46,000
184	5620.8010.005.091	MILEAGE/PARKING/AIRFARE	1,084	595	3,750	247	3,750
185	5620.8010.005.092	CONVENTIONS & MEETINGS	15,122	8,877	26,950	2,500	21,450
186	5620.8010.005.093	TRAINING/SEMINAR/SCHOOL	9,337	7,065	8,150	6,945	8,150
187	5620.8010.005.094	FREIGHT	8	50	366		300
188	5620.8010.007.025	ENVELOPES & LETTERHEAD	1,383	2,224	2,500	2,500	2,500
189	5620.8010.007.027	SUNDRY FORMS & LETTERS	3,101	1,082	2,000	2,000	2,000
190	5620.8010.007.028	SUNDRY OFFICE SUPPLIES	15,989	10,972	14,671	14,347	15,085
191	5620.8010.007.029	SUNDRY OFFICE EQUIPMENT	4,187	10,658	5,368	18,307	10,000
192	5620.8010.008.000	POSTAGE	6,050	6,665	3,632	6,367	7,000
193	5620.8010.009.000	TELEPHONE	55,655	54,655	58,873	47,887	50,281
194	5620.8010.012.000	BANK CHARGES	27,016	27,725	32,522	26,895	30,000
195	5635.8010.015.056	PL & PD INSURANCE	101,700	95,254	114,305	115,000	115,000
196	5635.8010.015.057	BLDG & CONTENT INSURANCE	4,000	4,731	5,677	5,300	5,500
197	5635.8010.015.058	BOND INSURANCE					
198	5635.8011.015.059	LEGAL & ACCIDENT INS	18,116	17,041	20,450	18,000	19,000
199	5635.8015.015.057	PROP INSURANCE					
200	5640.8010.015.056	not in use					
201	5645.8010.004.000	VACATION PAY ACCRUAL					
202	5645.8010.005.086	PENSION					
203	5645.8010.018.000	EMPLOYEE FUTURE BENEFITS	17,757	18,391	16,924	20,000	20,000
204	5655.8010.004.300	HYDRO ONE LOAD TRANSFER					
205	5655.8010.005.089	SUBSCRIPTIONS/ADVERTISING					
206	5655.8010.210.200	OEB LICENSE FEE	800	915	800	1,862	1,500
207	5655.8010.211.203	OEB COST AWARD	2,793	805	2,500	6,000	6,000
208	5660.8010.005.089	SUBSCRIPTIONS/ADVERTISING	3,155	2,647	2,736	2,114	2,443
209	5665.8010.003.000	PAY EQUITY ADJUSTMENT					
210	5665.8010.004.300	LOAD TRANSFER RECONCILIATION					
211	5665.8010.005.080	MEMBERSHIPS & DUES		249	0	0	0
212	5665.8010.016.000	INCENTIVE PLAN	250,816	326,723	246,453	286,754	293,026
213	5665.8010.017.000	LUMP SUM PAYMENT					
214	5665.8010.019.000	MANAGEMENT FEE	20,434	112,224	111,541	112,338	80,433
215	5665.8010.020.000	MOVING EXPENSES					
216	5670.8010.020.000	RENT ON 8088 LAWSON					
217	5685.8010.200.200	ADMIN LICENSE FEE (NEW 2020)					
218	.0.0	TOTAL OTHER	690,336	853,779	826,431	845,273	847,563
224	.0.0	TOTAL GENERAL ADMIN	1,935,331	2,254,959	2,435,140	2,232,368	2,664,489
225	.0.0						
226	.0.0						
227	5605.8011.001.001	STIPENDS	55,656	54,957	37,250	57,536	58,582
228	5605.8011.001.090	PER DIEM	27,829	33,209	13,567	38,593	33,200
229	.0.0	TOTAL LABOUR	83,485	88,166	50,817	96,129	91,782
230	.0.0						
231	5605.8011.005.091	MILEAGE & PARKING	2,591	874	2,500		
232	5605.8011.005.092	CONVENTIONS	742	4,232	7,000	0	7,000
233	5605.8011.005.095	MEALS AND ENTERTAINMENT		2,159	3,500		
234	5605.8011.015.099	LEGAL & ACCIDENT INS					
235	.0.0	TOTAL OTHER	3,333	7,265	13,000	-	7,000
236	5605.0000.000.000						
237	.0.0	TOTAL BOARD	86,818	95,431	63,817	96,129	98,782
238	.0.0						
239	5675.8015.001.007	DIRECT LABOUR - OT	503				175

5.12

	E	F	BJ	BN	BO	BQ	BR
1	Account #	Description	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
240	5675.8015.001.001	DIRECT LABOUR	69,392	57,258	145,183	58,542	130,457
241	.0.0	TOTAL LABOUR	69,895	57,258	145,183	58,717	130,457
242	.0.0	MATERIAL	26,042	25,723	35,000	38,892	40,000
243	5675.8015.002.005	TOTAL MATERIAL	26,042	25,723	35,000	38,892	40,000
244	.0.0	SNOW REMOVAL	24,550	24,350	28,500	34,200	34,200
245	.0.0	LAWN MTCE	94	49,390	51,956	51,748	54,335
246	5675.8015.004.038	JANITORIAL SERVICE	48,234	15,796	19,112	21,421	23,563
247	5675.8015.004.039	HEATING,A/C,FIRE,SEPTIC	21,422	79,966	75,000	46,194	58,150
248	5675.8015.004.043	MUSIC CONTRACT	95,841	640	500	657	700
249	5675.8015.004.043	SECURITY SYSTEM MTCE	554	2,796	500	500	500
250	5675.8015.004.052	SUNDRY OFFICE SUPPLIES	191,335	172,301	175,068	166,819	185,848
251	5675.8015.004.072	IOS CONTRACT-MAINTENANCE					
252	5675.8015.004.078	TOTAL SUBCONTRACT	191,335	172,301	175,068	166,819	185,848
253	5675.8015.007.028	TAXES	144,775	157,190	164,369	168,621	177,052
254	.0.0	HYDRO, WATER, SEWAGE	113,326	107,904	114,640	106,120	109,303
255	.0.0	ALLOCATION TO MHTI	258,101	265,094	279,009	274,741	286,356
256	5675.0000.000.000	TOTAL OTHER	258,101	265,094	279,009	274,741	286,356
262		Maintenance General Plant					
263							
264		TOTAL BUILDING	545,373	520,376	634,259	539,170	642,660
270		GRAND TOTAL	5,715,269	6,108,556	6,689,660	6,325,742	6,948,318
283			1.9%	6,108,556	0		
284		Direct Labour	(20,551)	70,415	281,199	(140,292)	351,917
285		Direct Labour - executives/car allow	28,335	56,122	241,120	13,208	(16,979)
286		Incentive Plan	(8,630)	35,229	(46,041)	41,301	6,272
287		Employee Future Benefits	(2,207)	(1,695)	-	3,500	-
288		Rent	(1,814)	22,247	130	(622)	(31,906)
289		Management Fee	(520)	(3,678)	(35,292)	32,312	2,653
290		Total Board	(3,008)	(76,665)	30,039	(99,342)	95,060
291		Total Building	(50)	12,450	202,050	(153,030)	236,950
292		Regulatory Costs	24,726	24,082	16,213	34,084	(69,169)
293		General Admin Consulting Fees	(4,929)	(8,679)	26,107	(3,919)	30,970
294		General Admin Misc	1,566	1,992	(3,153)	(2,264)	(4,131)
295		Billing Consulting Fees	(791)	(6,887)	2,379	(15,760)	5,094
296		All Other Billing Costs	1,497	1,768	10,766	(74,938)	7,557
297		Postage	2,004	5,759	(24,401)	(4,479)	2,712
298		Olaneter Probing /hand deliver	(107)	(395)	351	(1,626)	288
299		Tilliant Meter Reading					
300		EBT HUB Services					
301		Insurance	4,538	21,847	14,800	(1,500)	3,024
302		Audit & Legal	(33,130)	(11,577)	3,723	(15,000)	-
303		Credit Insurance	498	2,068	-	20,000	-
304		Chemical	25	25	26,885	1,491	18,672
305		Software Mince + SM Meeting	(1,286)	(12,871)	1,247	1,019	737
306		Mailing machine	6,154	24,176	24,176	(44,913)	39,663
307		Training Costs - others	7,072	(2,089)	(33,683)	(14,461)	7,961
308		Training/Conference - exec	21,263	40,897	3,500	46,500	(20,000)
309		Meals and Entertainment	-	249	-	2,000	-
310		Bad Debt Expense	5	(2,391)	4,787	4,252	8,431
311		Membership and Dues	(5,520)	(1,450)	6,400	4,500	13,600
312		Taxes	(250)	(2,566)	2,016	(4,391)	875
313		Total Promotion	1,187	(954)	200	(365)	1,115
314		Subcontract Collectins /Credit Agency	-	15,084	-	-	-
315		Collections Other misc					
316		Moving Expenses					
317		Misc D/H	16,052	199,262	755,521	(372,735)	691,368
318							
319							

Legal and Audit Fees

Account #5630.8010.004.051	Legal/Audit Fee	2019 Actual	2020 Budget	2020 Projection	2021 Budget
KPMG - Audit Fees		63,800	50,800	50,800	52,324
KPMG - Misc PILS/ROE Correspondence		10,700			
KPMG - Tax Returns		1,540	4,500	7,500	4,500
KPMG - IFRS Financial Statement Process review				5,500	
KPMG - 1598 review			15,000	5,000	15,000
O'Connor Macleod- General Matters					
O'Connor Macleod- FIT Projects					
O'Connor Macleod- Control Room Agreement					
Halton Hills					
McFadden Dispute Resolution					
Southwestern - Corp Structure of HUG		11,307	10,000	10,000	10,000
Norton Rose LLP - Misc Labour Relations					
Total		87,347	80,300	78,800	81,824

MILTON HYDRO DISTRIBUTION INC
CONSULTINGS FEES

5.14

Account #5630.8010.004.055 Administration - Consulting Service	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Access - Inspection Vortex System (Troy Sprinkler)	46,175	690	-	700	750
Anne Marie K - HR Consulting		8,050			
Bell Mobility - Private APN Network					
Benchmark, learning system video					
Best Doctor	2,552	2,552	2,784	2,784	2,784
Beyond Trust				3,961	20,000
Business Continuity Plan					5,820
Constant Contact.com - tracking of "opt-out" email blasts	2,682	4,270	4,472	87,204	88,000
Cyber Security - E-Sentire, plus add on (2019)	58,331	50,334	50,334		
Dion Durrell (MEARIE) - post employment benefits					
Directors Global Insurance - Enterprise Risk Management					
Directorwrx - Address verification					
Disaster Recovery/ Documentation					
Digital Boundaries-Disaster Recovery/Documentation System Lifetime	4,500	120	20,000	350	200
Doctors Notes					
Ducharme McMillian & Associates-property tax consultants					
2019 -Empire Change ERV Program -Pinball (guest speaker -					
Safety Staff meeting) 2020 - looking for a speaker to address					
Diversity and Inclusion	420	11,552	-	8,750	8,000
Employee Wellness Program	9,500	9,500	9,500	9,512	9,500
Equipment Training - B. McKenzie					
Ergonomic Assessment - EK Gillin	4,250			468	-
ESRI Canada - consulting				3,013	-
ESRI Canada - upgrade					
Globe & Mail Subscription	29				
HR downloads (Gnd Smart City)					
HR Info Services	2,063	2,663		3,200	3,200
HR Investigative Services	1,743			713	1,000
Innemy Corporate Yoga (new 2020)				1,620	-
Iron- MV90 Server Prof Services					
JEAP (Region of Halton)					
Kennedy Jones & Assoc (Privacy Audit)		31,463			
KPMG Regulatory Filing Review (form 1598)				3,190	-
Loris Technologies - File Nexus Upgrade Consultation					
McMarketing - Web Pictures	8,333	8,333	8,333	8,334	8,334
McMaster Research Gnd Smart City					
MEARIE - PIPEDA (Bell Joint Use 2006)	7,400	500	8,000	8,500	500
Mearie Group/RSM Canada -Post Retirement Benefits/HR Services	6,750	4,700	9,000	11,500	11,500
MEARIE Management				83	10,000
Medsys Corp - Examinations SMT	58	3,527	10,000	40,000	
Mgmt Salary Survey (MEARIE HR)					
Miscellaneous					
Miscellaneous - Pety Cash/TTD Visa					
MLRD Retainer- Labour Relations	3,520	2,640	3,600	3,520	3,600
Morneau Shepell - Employee Assistance Program	1,741	4,410	-	1,260	3,000
Morneau Shepell - Trauma Support	2,780				
N. Harris Support-Test care training, chq testing					
N. Harris training upgrade					
O'Connor McLeod - General Consultation		151	5,000	15,000	5,000
RC Whitney - negotiations, grievances, etc		13,162	-		
RC Whitney - pay equity					
Registration Interest Swap					
Reid Performance Management					
Respect in the Workplace Training - Bandhu L	3,500	11,976	-	3,500	6,000
Ridgeway occupational	3,600	2,000			
Robert Quail Consulting - Risk Workshop	48,272	98,075	120,000	98,000	84,000
Safety - Bernie Hines / Lawrence L-LTL	19,460	26,000	25,000	19,500	25,000
Security Audit (Digital Boundaries Group)/AESI	8,850	22,100	15,000	25,000	
Silverhaze - Portal/support consulting/licenses	16,200	4,500	-		
Springboard - Compliance Science					
Suede Productions Customer Portal video	600				
System Life - Network changes	50		250		
TD Visa Annual Fee					
VG Architech - Prof services		15,875	-		
Workplace Intervention (Paulene Pasteka)		339,141			
Total	263,358	339,141	331,273	365,357	296,188
	0				

**MILTON HYDRO DISTRIBUTION INC
CONSULTINGS FEES**

5.15

Account #5315.7020.004.055 Billing - Computer Services	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Harris - Custom Mod's		1,700			
Harris - Utilization Review/Automation Platform					
Silverblaze Consulting	300	300		5,000	
Savage Web Tool Support Fee (June - Aug 2020)	20,103	19,191	19,931	19,462	19,831
Savage Data (Smart Meter Mixed Mode - \$0.04 per meter)		562	562		
Directwox (address accuracy)	36,028	36,893	38,738	37,462	39,335
ERTH	2,958	338			
ERTH Application Mgt	19,083	11,721	6,329	1,373	-
Util-Assist	78,472	70,705	65,560	63,296	59,166
Total	-	70705.34			

Account #5085.9080.004.055 Engineering - Consulting services	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget
Ruggedcom		2,000	2,000		
ESA Fees	16,200	16,558	17,386	17,376	17,724
Canadian Standards	421				
Cunningham McConnell - Topographic mapping					
AEIS/ Acurnen - ESA Audit	2,822	3,547	3,002	2,816	3,000
SCADA Audit			5,000		5,000
ESA Safety Audit - Simeon Go					
IEEE Standards					
Siemens - change out switch	2,800				
ODAN Detech - standards		50,196			
New Connection Consulting - A Fischer	1,830				
GIS/Asset management	2,516				
Field audit for asset management					
Miscellaneous - Petty Cash					
Total	26,589	72,301	27,388	20,192	25,724

	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
SALES							
Net Service Revenue	124,626,994 0%	127,189,734 3%	139,586,343 12%	156,517,862 0	161,041,111 3%	163,260,451 1%	165,490,696 1%
Volume Sold	943,497,203	983,901,508	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841	1,042,754,841
% Increase (Decrease) in Consumption	0	0.020344404	0.042823979	0	2%	2%	0%
Rates per kWh	0.13209	0.12927	0.14187	0.15597	0.15740	0.15657	0.15871
Average # of Customers	0.03582 39,983	0.005898082 40,893	0.074038382 40,738	9.9% 41,588	0.9% 42,588	-0.5% 43,588	1.4% 45,588
RATE OF RETURN							
BASE Revenue/Sales Requirement <i>Made up of:</i> Prior Years Revenue Requirement Growth in Demand - Power Growth in Demand - Distribution Revenue Requirement using 1999 rates PBR Adjustments <i>Year 1 (2000):</i> Market Based Rate of Return Deduct Prior Years Profit (adjusted for financial expense) Entry Transition Costs MBRR Increment (2001,2002 &2003)							
Base Distribution Revenue - PBR Adjusted	18,203,473	18,932,283	18,500,558	19,221,012	20,175,164	20,789,054	21,412,663
Revenue Including PBR Adj'mt to Calculate Rates <i>Made up of:</i> Cost of Power Base Distribution Revenue - PBR Adjusted	124,869,638	127,189,734	139,586,343	156,517,862	161,041,111	163,260,451	165,490,696
Forecast kWh's Purchased (with losses)	943,497,203	983,901,508	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841	1,042,754,841
Forecast kWh's sold (no losses)	912,441,090	949,748,869	949,748,869	968,657,570	987,566,272	1,006,474,973	1,006,474,973
GS>5000 kwh sold (no losses)	143,005,781	142,033,383	142,033,383	142,033,383	142,033,383	142,033,383	142,033,383
Estimated Tariff Rate (cents per kWh)	0.13235	0.12927	0.14187	0.15597	0.15740	0.15657	0.15871
Power cost/kwh Sold	0.11305	0.11003	0.12307	0.13682	0.13768	0.13663	0.13817
Distribution Rate/kWh Sold	0.01929	0.01924	0.01880	0.01915	0.01972	0.01994	0.02053
% Inc/(Dec) in Overall Rate	3.8%	0.005898082	0.071951334	9.9%	0.9%	-0.5%	1.4%
COST OF SALES							
COST OF SALES	106,666,165	108,257,451	121,085,785	137,296,851	140,865,947	142,471,397	144,078,033
- Volume Sold	3.9%	2.4%	13.5%	13.4%	2.6%	1.1%	1.1%
- Line Loss (%)	943,497,203	983,901,508	983,901,508	1,003,519,286	1,023,137,063	1,042,754,841	1,042,754,841
Total Volume Purchased	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Line Loss Cost per kWh/Sold	975,717,920	1,017,658,877	1,017,658,877	1,038,012,321	1,058,365,765	1,078,719,210	1,078,719,210
	-	0.0034	-	-	-	-	-

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SALES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Calculation of Tariff Rate (Retail COP)	0.11305	0.11003	0.12307	0.13682	0.13768	0.13663	0.13817
OPERATING & MAINTENANCE, ADMIN. EXPENSES (based on headcounts)	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
O&M Cost per Customer	\$ 98.38	\$ 94.58	\$ 89.75	\$ 94.06	\$ 94.08	\$ 94.15	\$ 94.28
Admin Cost per Customer	\$ 151.25	\$ 161.28	\$ 153.82	\$ 164.91	\$ 165.35	\$ 165.88	\$ 166.49
Total - O&M and Admin Cost per Customer	\$ 249.63	\$ 255.86	\$ 243.58	\$ 258.97	\$ 259.43	\$ 260.03	\$ 260.77
Number of customers - end	40,388	41,478	41,088	42,133	43,178	44,223	45,268
- Operating Maintenance Expense	3,973,402	3,922,810	3,687,800	3,963,022	4,062,098	4,163,650	4,267,741
- General & Administration	5,996,332	6,578,119	6,207,904	6,867,885	7,059,149	7,255,195	7,456,142
	9,969,734	10,500,928	9,895,704	10,830,907	11,121,247	11,418,845	11,723,883
Total HeadCount	52.0	54.0	52.0	56.0	57.0	58.0	59.0
Check	9,751,842	9,957,712	10,268,826	10,592,575	11,255,834	11,554,884	11,861,410
O&M and Admin Expense / Employee	193,884	196,527	192,462	194,845	196,521	198,263	200,073
Rent for Milton Hydro Building							
Lease Payments - Hydro One							
Management Fee Payable to MHHI	112,224	111,541	112,338	80,433	80,433	80,433	80,433
Load Transfer Reconciliation							
Misc							
CDM - 2006 Monies							
Total O&M and Admin Expense	10,081,958	10,612,469	10,008,042	10,911,340	11,201,680	11,499,278	11,804,316
Z-FACTOR ALLOWANCE (ONE TIME)							
OTHER OPERATING REVENUES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
- Water Billing & Collecting	717,563	752,366	749,230	781,244	815,307	851,683	888,937
-Gain/(Loss)Loss on removals of FA							
- Miscellaneous	923,028	878,895	827,844	958,837	863,908	874,471	885,246
- Interest Earned	197,471	140,000	99,923	104,919	104,919	104,919	104,919
- Regulatory Variance							
Deferred Revenue (new)	431,291	515,750	477,283	562,151	650,891	713,195	774,631
Total Other Revenues	2,269,353	2,287,011	2,154,280	2,407,150	2,435,026	2,544,268	2,653,732
INTEREST EXPENSE	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Interest Expense							
Total Amount of Interest on Existing Obligations (deposits)	70,379	68,856	70,379	70,379	70,379	70,379	70,379
Amount of New Debt Outstanding Beyond 2000:	2,594,335	2,418,905	2,409,407	2,259,191	2,109,674	1,960,524	1,813,532

SALES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Amount of Total Equity at Beginning of Year	55,330,111	57,902,052	57,924,446	60,333,853	62,593,044	64,702,718	66,663,242
Beginning Balance	55,330,111	57,902,052	57,924,446	60,333,853	62,593,044	64,702,718	66,663,242
Restructuring Debt to Issue							
New Debt to Issue	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Repayment of debt	(1,405,665)	(1,581,095)	(1,590,593)	(1,740,809)	(1,890,326)	(2,039,476)	(2,186,468)
Ending Balance	57,924,446	60,320,957	60,333,853	62,593,044	64,702,718	66,663,242	68,476,773
Interest Rate - Town of Milton note	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Interest Rate - new debt	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%
Balance of Holdco loan							
Current Portion of New Long-Term Debt							
Total New Long-Term Debt	57,924,446	60,320,957	60,333,853	62,593,044	64,702,718	66,663,242	68,476,773
Interest Expense - Town Promissary Note	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730	1,082,730
Interest Expense - New Debt	1,512,577	1,620,831	1,593,022	1,634,993	1,687,224	1,750,960	1,832,455
<i>Total Amount of Interest</i>	<i>2,595,307</i>	<i>2,703,561</i>	<i>2,675,752</i>	<i>2,717,724</i>	<i>2,769,955</i>	<i>2,833,691</i>	<i>2,915,185</i>
	4.5%	4.5%	4.4%	4.3%	4.3%	4.3%	4.3%
Total Current Portion of Long Term Debt							
Total Non-Current Portion of Long Term Debt	57,924,446	60,320,957	60,333,853	62,593,044	64,702,718	66,663,242	68,476,773
Interest Expense on Existing Debt	55,443	68,856	70,379	70,379	70,379	70,379	70,379
Interest Penalty MOF 2019 assessment	201,114						
Interest on Prudential Letter of Credit (75 bps)	14,936	14,936	14,936	14,936	14,936	14,936	14,936
Interest Expense on Long Term Debt	2,595,307	2,703,561	2,675,752	2,717,724	2,769,955	2,833,691	2,915,185
Total Interest Expense	2,866,800	2,787,353	2,761,067	2,803,038	2,855,269	2,919,005	3,000,500
ACCOUNTS RECEIVABLE	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Accounts Receivable Balance	10,716,502	12,196,276	11,855,278	13,293,298	13,677,464	13,865,956	14,055,374
Sales	124,626,994	127,189,734	139,586,343	156,517,862	161,041,111	163,260,451	165,490,696
Accounts Receivable Turnover (Days)	31.4	35.0	31.0	31.0	31.0	31.0	31.0
Average No. of Days to Collect							
Turnover Ratio							
PIs Receivable	-1445307						
Current Year Receivables	9,271,195	12,196,276	11,855,278	13,293,298	13,677,464	13,865,956	14,055,374
DIVIDEND PAY-OUT CALCULATION	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Total Dividend Pay-Out for the Year	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
UNBILLED REVENUE	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Unbilled Revenue Balance	10,991,881	10,782,835	12,311,269	13,804,599	14,203,542	14,399,284	14,595,987
Sales	124,626,994	127,189,734	139,586,343	156,517,862	161,041,111	163,260,451	165,490,696
Unbilled Revenue Turnover (Days)	32	31	32	32	32	32	32

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	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
SALES							
Average No. of Days to Bill Turnover Ratio	0.088198236	0.084777557	0.088198236	0.088198236	0.088198236	0.088198236	0.088198236
Current Year Unbilled Revenue	10,991,881	10,782,835	12,311,269	13,804,599	14,203,542	14,399,284	14,595,987
DEVELOP CHARGES							
Opening Balance							
Ending Balance							
Change (CF)							
INVENTORY							
Inventory	1,548,149	1,368,320	1,548,149	1,548,149	1,548,149	1,548,149	1,548,149
(Increase)/Decrease from Prior Year Balance							
PREPAID EXPENSES							
Prepaid Expenses	797,519	900,743	693,313	693,313	693,313	693,313	693,313
OTHER ASSETS							
Other Regulatory Assets							
IFRS	-	-	-	-	-	-	-
Less: Allowance	-	-	-	-	-	-	-
Pre Market Variance Acc'ts	-	-	-	-	-	-	-
Post Market Variance Acc'ts	3,102,306	-	-	-	-	-	-
LV Recovery	(3,595,829)	-	-	-	-	-	-
Variance re PPE changes (acct 1576 - 4305/4310)	-	-	-	-	-	-	-
Smart Meter Capital	-	-	-	-	-	-	-
Smart Meter OM&A	-	-	-	-	-	-	-
LRAM	-	-	-	-	-	-	-
IFRS - 1575 - loss on disposal	-	-	-	-	-	-	-
Deferred PILS (new 2012)	-	-	-	-	-	-	-
Ice Storm 2013	-	-	-	-	-	-	-
Smart Meter Entity Charge	-	-	-	-	-	-	-
Special Purpose Charge/Deferred PILS	-	-	-	-	-	-	-
Recovery of Regulatory Assets	-	-	-	-	-	-	-
Total Regulatory Assets	(493,523)	920,750	2,927,289	2,992,112	(19,391)	740,086	1,216,459
Deferred Charges							
Future Income Taxes	3,165,416	2,644,569	3,165,416	3,165,416	3,165,416	3,165,416	3,165,416
Other Deferred Credits	(175,558)	251,269	(175,558)	(175,558)	(175,558)	(175,558)	(175,558)
Total Deferred Charges	2,989,858	2,895,838	2,989,858	2,989,858	2,989,858	2,989,858	2,989,858
Ending Balance	2,496,335	3,816,588	5,917,147	5,981,970	2,970,467	3,729,944	4,206,317
	3,604,988	3,565,319	6,092,705	6,157,528	3,146,025	3,905,502	4,381,875

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SALES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Fixed Assets	2019 Actual	2020 Budget	2020 Projected	2020 Budget	2022 Budget	2023 Budget	2024 Budget
Building, Transmission & Distribution System							
- Original Costs	208,149,122	216,805,660	218,189,522	226,917,853	239,295,240	248,229,292	257,163,344
Contributed Capital not recorded (1999 F/S adjustment)							
Eliminate Building (transfer to Town)							
- Beginning NBV	124,407,866	128,595,715	129,969,393	133,847,829	141,067,132	144,538,652	147,754,913
- Adjustment - Removals	(292,245)	(650,000)	(650,000)	(350,000)	(350,000)	(350,000)	(350,000)
- Additions - Class 47	8,895,347	10,900,610	9,316,332	12,727,387	9,284,052	9,284,052	9,284,052
- Class 1 Building	364,220	130,000	62,000				
- Building/Tremaine TS (WIP)	1,073,077						
- Class 8 (meters)							
- Total Additions	10,040,399	10,380,610	8,728,332	12,377,387	8,934,052	8,934,052	8,934,052
- Disposals: smart meter pre 2007							
- Disposals: smart meter: re 2007							
- Adjustment - smart meters/stranded meters							
- Closing Cost	218,189,522	227,186,270	226,917,853	239,295,240	248,229,292	257,163,344	266,097,396
- Beginning Accumulated Depreciation	83,741,256	88,209,945	88,220,128	93,070,025	98,228,108	103,690,640	109,408,431
Eliminate Building & Fibre & Sent Lgt. Acc. Depn (transfer to Town, Affiliate)							
- Depreciation Removals							
- Depreciation Expense	4,478,872	4,734,355.20	4,849,896.39	5,158,083.06	5,462,532.19	5,717,790.82	5,973,049.45
- Add-Back: deprec on smart meters/stranded meters		0		0			
- Closing Accumulated Depreciation	88,220,128	92,944,300	93,070,025	98,228,108	103,690,640	109,408,431	115,381,480
- Closing NBV	129,969,393	134,241,970	133,847,829	141,067,132	144,538,652	147,754,913	150,715,916
Office Equipment, Tools & Rental Units							
- Original Costs	12,562,438	12,980,171	13,103,849	13,284,794	14,216,794	14,912,794	15,608,794
- Adjustment - allocation							
- Beginning NBV	4,304,129	3,715,631	3,848,158	2,936,914	2,673,459	2,119,738	1,519,616
- Transition Costs to be readjusted in 2002							
Additions - rolling stk	134,104	-	-				
- hardware after Mar 04	106,498	82,500					
- software	207,348	46,000					
- other	93,461	72,600					
- Additions	541,411	201,100	180,945	932,000	696,000	696,000	696,000
- Disposals							
- Closing Cost	13,103,849	13,181,271	13,284,794	14,216,794	14,912,794	15,608,794	16,304,794
- Opening Accumulated Depreciation	8,258,309	9,264,540	9,255,691	10,347,880	11,543,335	12,793,056	14,089,178
- Eliminate Fibre & Sent Light Acc Dep							
- Depreciation Rate							

5.20

SALES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
- Depreciation Expense	997,382	1,072,538	1,092,189	1,195,455	1,249,722	1,296,122	1,342,522
- Add-Back							
- Adjustment - allocation							
- Closing Accumulated Depreciation	9,255,691	10,337,078	10,347,880	11,543,335	12,793,056	14,089,178	15,431,699
- Closing NBV	3,848,158	2,844,194	2,936,914	2,673,459	2,119,738	1,519,616	873,094
Growth Related Capex System Access, Renewal, Service Growth Contributed Capital	8,895,347	10,900,610	9,316,332	12,727,387	9,284,052	9,284,052	9,284,052
TOTAL GROWTH RELATED CAPEX SPARE ITEM	8,895,347	10,900,610	9,316,332	12,727,387	9,284,052	9,284,052	9,284,052
- Original Costs							
- Beginning NBV							
- Additions							
- Disposals							
- Closing Cost							
- Opening Accumulated Depreciation							
- Depreciation Rate							
- Depreciation Expense							
- Add-Back							
- Closing Accumulated Depreciation							
- Closing NBV							
Non Growth Related Capex - per Mary- Building Costs	364,220	130,000	62,000	-	-	-	-
TS Costs							
TOTAL TRANS & DIST CAPEX	8,895,347	10,900,610	9,316,332	12,727,387	9,284,052	9,284,052	9,284,052
TOTAL REMOVALS	(292,245)	(650,000)	(650,000)	(350,000)	(350,000)	(350,000)	(350,000)
TOTAL OFFICE EQUIPMENT, TOOLS, ETC ADDITIONS	541,411	201,100	180,945	932,000	696,000	696,000	696,000
TOTAL LAND Building/Tremaine (WIP)	1,073,077						
GRAND TOTAL OF CAPEX	\$ 10,581,810	\$ 10,581,710	\$ 8,909,276	\$ 13,309,387	\$ 9,630,052	\$ 9,630,052	\$ 9,630,052
Accumulated New Contributed Capital	\$ 63,446,129	\$ 67,741,257	\$ 65,175,162	\$ 69,272,622	\$ 71,141,731	\$ 72,948,535	\$ 74,693,904
Amortization Of New Contributed Capital	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129
Removals CC							
Accumulated Amortization Of New Contributed Capital	\$ 18,640,713	\$ 19,943,679	\$ 19,745,842	\$ 20,850,971	\$ 21,956,100	\$ 23,061,229	\$ 24,166,358
Net Contributed Capital	\$ 44,805,416	\$ 47,797,578	\$ 45,429,320	\$ 48,421,651	\$ 49,185,631	\$ 49,887,306	\$ 50,527,546
Deferred Revenue	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Opening balance	\$ 14,736,029	\$ 17,047,083	\$ 16,330,098	\$ 18,059,132	\$ 22,156,592	\$ 24,025,700	\$ 25,832,505
Additions	\$ 2,025,360	\$ 3,896,419	\$ 2,206,317	\$ 4,659,611	\$ 2,520,000	\$ 2,520,000	\$ 2,520,000
Amortization of Deferred Revenue	\$ 431,291	\$ 515,750	\$ 477,283	\$ 562,151	\$ 650,891	\$ 713,195	\$ 774,631
Ending Balance	\$ 16,330,098	\$ 20,427,751	\$ 18,059,132	\$ 22,156,592	\$ 24,025,700	\$ 25,832,505	\$ 27,577,874

5.21

SALES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Fixed Assets	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Leasehold Improvements (1910)							
- Original Costs	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Beginning NBV		0	0	0	0	0	0
- Additions							
- Disposals							
- Closing Cost	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Opening Accumulated Depreciation	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Depreciation Rate							
- Depreciation Expense	0	0	0	0	0	0	0
- Add-Back							
- Closing Accumulated Depreciation	377,009	377,009	377,009	377,009	377,009	377,009	377,009
- Closing NBV	0	0	0	0	0	0	0
Other Intangible Assets (1609)	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
- Original Costs	122,349	1,122,349	2,087,341	2,087,341	2,087,341	2,087,341	2,087,341
- Beginning NBV	105,530	1,077,472	2,042,901	1,989,842	1,936,783	1,883,724	1,830,665
- Additions	1,964,992						
- Disposals							
- Closing Cost	2,087,341	1,122,349	2,087,341	2,087,341	2,087,341	2,087,341	2,087,341
- Opening Accumulated Depreciation	16,818	44,877	44,440	97,499	150,558	203,617	256,676
- Depreciation Rate							
- Depreciation Expense	27,621	53,059	53,059	53,059	53,059	53,059	53,059
- Add-Back							
- Closing Accumulated Depreciation	44,440	97,936	97,499	150,558	203,617	256,676	309,735
- Closing NBV	2,042,901	1,024,413	1,989,842	1,936,783	1,883,724	1,830,665	1,777,606
Other Tangible Assets (1990)	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
- Original Costs	133,004	133,004	133,004	133,004	133,004	133,004	133,004
- Beginning NBV	29,293	14,825	14,825	357	(14,111)	(14,111)	(14,111)
- Additions							
- Disposals							
- Closing Cost	133,004	133,004	133,004	133,004	133,004	133,004	133,004
- Opening Accumulated Depreciation	103,711	118,179	118,179	132,647	147,115	147,115	147,115
- Depreciation Rate							
- Depreciation Expense	14,468	14,468	14,468	14,468	-	-	-
- Add-Back							
- Closing Accumulated Depreciation	118,179	132,647	132,647	147,115	147,115	147,115	147,115
- Closing NBV	14,825	357	357	(14,111)	(14,111)	(14,111)	(14,111)
	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget

5.22

SALES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Land (1805/1905)							
- Original Costs	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
Eliminate Land (transfer to Town)							
- Beginning NBV							
- Additions		-					
- Disposals							
- Closing Cost	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
- Opening Accumulated Depreciation		-		-	-	-	-
- Depreciation Rate		-		-	-	-	-
- Depreciation Expense		-		-	-	-	-
- Add-Back		-		-	-	-	-
- Closing Accumulated Depreciation		-		-	-	-	-
- Closing NBV	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883	4,109,883
TOTAL COSTS	238,000,608	246,109,787	246,909,884	260,219,271	269,849,323	279,479,375	289,109,427
ACCUMULATED DEPRECIATION	98,015,447	103,888,970	104,025,060	110,446,124	117,211,437	124,278,409	131,647,039
TOTAL NBV (excl contr cap)	139,985,161	142,220,817	142,884,825	149,773,147	152,637,886	155,200,967	157,462,389
TOTAL CAPITAL EXPENDITURE	12,546,802	10,581,710	8,909,276	13,309,387	9,630,052	9,630,052	9,630,052
Total Depreciation for the Year (CF)	5,518,343	5,874,420	6,009,612	6,421,065	6,765,313	7,066,971	7,368,630
Less: Amort. Of Capital Contributions	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129	1,105,129
Less: Smart Meter recapture of deprec	-	-	-	-	-	-	-
TOTAL - per St. of Cash Flow	4,413,214	4,769,291	4,904,483	5,315,936	5,660,184	5,961,842	6,263,501
Amount Alloc Charged to Other Acct.	312,534	328,882	331,227	344,446	344,446	344,446	344,446
P&L Depreciation	4,100,680	4,440,409	4,573,257	4,971,490	5,315,738	5,617,396	5,919,055
ACCOUNTS PAYABLE & ACCRUED CHARGES							
Accounts Payable Balance	18,334,459	18,253,940	20,697,693	23,030,119	23,625,405	23,899,792	24,177,293
Expenses (COS & Finance Expense)	109,532,965	111,044,804	123,846,852	140,099,889	143,721,216	145,390,403	147,078,533
Accounts Payable Turnover (Days)	61	60	61	60	60	60	60
Average No. of Days to Pay	61	60	61	60	60	60	60
Turnover Ratio	0.167123288	0.164383562	0.167123288	0.164383562	0.164383562	0.164383562	0.164383562
Payments in Lieu of taxes payable							
Current Year Payables	18,334,459	18,253,940	20,697,693	23,030,119	23,625,405	23,899,792	24,177,293
CUSTOMER DEPOSITS							
Current Portion of Customer Deposits	313,000	313,000	313,000	313,000	313,000	313,000	313,000
Non-Current Portion of Customer Deposits	3,388,064	3,297,992	3,388,064	3,388,064	3,388,064	3,388,064	3,388,064
Capital Deposits	2,568,629	2,054,184	2,568,629	2,568,629	2,568,629	2,568,629	2,568,629
Other liabilities (Hydro One)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)	(34,353)
Total Customer Deposits	6,235,340	5,630,823	6,235,340	6,235,340	6,235,340	6,235,340	6,235,340
Increase/(Decrease) from Prior Year Balance		-		-	-	-	-
Hydro One Liability							

5.23

SALES	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
VESTED SICK LEAVE & LIABILITY FOR FUTURE BENEFITS	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Liability for Future Benefits	509,917	537,075	530,314	551,526	573,587	596,531	620,392
Total	509,917	537,075	530,314	551,526	573,587	596,531	620,392
Increase/(Decrease) from Prior Year Balance	13,361	20,657	20,397	21,213	22,061	22,943	23,861
Future Benefits							
Taxes on Future Benefits							
EQUITY	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Ending Balance of Contributed Capital-TOTAL							
Capital stock	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908	17,008,908
Accumulated Operating Surplus, Beginning	27,635,688	28,400,603	28,133,658	28,590,514	28,995,808	29,618,111	30,284,653
Transfer Contributed Capital to Affiliate							
Current Year Net Income	1,997,969	2,005,862	1,956,856	1,905,294	2,122,303	2,166,542	2,199,524
Dividends Paid	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
New Equity		-	-	-	-	-	-
Accumulated Operating Surplus, Ending	28,133,658	28,906,465	28,590,514	28,995,808	29,618,111	30,284,653	30,984,177
TOTAL EQUITY	45,142,566	45,915,373	45,599,422	46,004,716	46,627,019	47,293,561	47,993,085

5.27

Milton Hydro Distribution Inc.
Summary of Capital Expenditures
As at December 31
Milton Hydro Distribution Inc.
Capital Expenditures

	2018 Actual	2019 Actual	2020 Budget	2020 Projected	2021 Budget	2022 Budget	2023 Budget	2024 Budget
System Access			6,153,621	4,453,297	5,716,143	1,880,000	1,880,000	1,880,000
System Renewal			1,436,270	1,773,035	3,655,878	1,539,052	1,539,052	1,539,052
System Service			790,720	570,000	835,365	3,345,000	3,345,000	3,345,000
Subdivision Costs			2,520,000	2,520,000	2,520,000	2,520,000	2,520,000	2,520,000
Total Distribution Expenses	9,874,760	8,895,347	10,900,610	9,316,332	12,727,387	9,284,052	9,284,052	9,284,052
NBV Removals	(404,135)	(292,245)	(650,000)	(650,000)	(350,000)	(350,000)	(350,000)	(350,000)
Building for New Headquarters	55,832	364,220	130,000	62,000				
Building - work in progress								
WIP	164,901	1,073,077						
Other Capex - Replacement & Refurbishment/Tremaine TS		1,964,992						
Non-Growth Related Capex	(183,402)	3,110,044	(520,000)	(588,000)	(350,000)	(350,000)	(350,000)	(350,000)
Total Transmission and Distribution Capital Expenditures	9,691,358	12,005,391	10,380,610	8,728,332	12,377,387	8,934,052	8,934,052	8,934,052
Total Other Capital Expenditures (office eqmt, tools)	1,293,776	541,411	201,100	180,945	932,000	696,000	696,000	696,000
Total Land Capital Expenditures								
GROSS CAPITAL EXPENDITURES	10,985,134	12,546,802	10,581,710	8,909,276	13,309,387	9,630,052	9,630,052	9,630,052
Less: Contributed Capital Portion of CAPEX								
Refunds to Developers			0	0	0			
Capital Contributions Received - Growth-Related	(2,920,318)	(2,025,360)	(3,896,419)	(2,206,317)	(4,659,611)	(2,520,000)	(2,520,000)	(2,520,000)
Capital Contributions Received - Non-Growth Related			0	0	0			
Total Capital Contributions - net	(2,920,318)	(2,025,360)	(3,896,419)	(2,206,317)	(4,659,611)	(2,520,000)	(2,520,000)	(2,520,000)
Net Capital Expenditures - Net Impact on Cash Flow	8,064,816	10,521,442	6,685,292	6,702,960	8,649,776	7,110,052	7,110,052	7,110,052

6.1

Tab Ref #	Category	Job Type	Work Order Number	Job Name	2020 Total Budget			2020 Year-end Projection		
					Job Total (Gross)	Capital Contribution	Job Net	Job Total (Gross)	Capital Contribution	Job Net
System Access										
	SA-Roads			Capital Road Projects	\$5,741,501	\$2,919,524	\$2,821,977	\$3,916,544	\$1,347,155	\$2,569,389
100	SA-Roads	[WIP]	HCP51270	ROH: Britannia Rd Reconstruction, RR25 to JSP	\$0	\$0	\$0	\$70,000	\$20,000	\$50,000
SA-A	SA-Roads		HCP50586	Developer: JSP - Orlando Site at Trudeau, pole line extension	\$0	\$0	\$0	\$114,000	\$98,204	\$15,796
SA-6	SA-Roads		HCP51258	TOM: Thompson Rd, Britannia to LSL	\$0	\$0	\$0	\$431,349	\$371,355	\$59,994
SA-10	SA-Roads		HCP51623	Developer: Mattamy, Ninth Line pole line extension	\$0	\$0	\$0	\$48,527	\$48,527	\$0
SA-M	SA-Roads		Various	Miscellaneous	\$0	\$0	\$0	\$110,600	\$0	\$110,600
101	SA-Roads	wip	HCP50392	TOM: Main St, JSP to 5th Line	\$314,204	\$66,112	\$248,092	\$314,204	\$66,112	\$248,092
102	SA-Roads	wip	HCP50855	TOM: Bronte St, Main to Steeles - Reconstruction	\$2,855,702	\$2,110,455	\$745,247	\$200,000	\$0	\$200,000
102	SA-Roads	Planned	HCP50885	ROH: Britannia Rd Reconstruction JSP to 407	\$2,085,864	\$607,882	\$1,477,982	\$2,085,864	\$607,882	\$1,477,982
104	SA-Roads	Planned	HCP50229	ROH: Tremaine Rd, Steeles to 3 Side Road	\$485,731	\$135,075	\$350,656	\$542,000	\$135,075	\$406,925
	SA-Services			General Service & Metering Connections	\$1,432,120	\$476,895	\$955,225	\$2,032,200	\$677,250	\$1,354,950
110	SA-Services	Planned	Various	Customer Connections - General Service & Others	\$533,520	\$476,895	\$56,625	\$903,000	\$677,250	\$225,750
111	SA-Services	Planned	Various	Meter Reverification Program	\$654,900	\$0	\$654,900	\$654,900	\$0	\$654,900
111	SA-Services	Planned	Various	Commercial/Industrial Meter Installs < 200kVA	\$133,000	\$0	\$133,000	\$265,050	\$0	\$265,050
111	SA-Services	Planned	Various	Commercial/Industrial Meter Installs > 200kVA	\$110,700	\$0	\$110,700	\$209,250	\$0	\$209,250
112	SA-Subdivisions			New Residential Subdivisions	\$1,123,747	\$0	\$1,123,747	\$1,123,747	\$0	\$1,123,747
				Total System Access	\$8,297,368	\$3,396,419	\$4,900,949	\$7,072,491	\$2,024,405	\$5,048,086
System Renewal										
	SR-Overhead			Overhead Distribution Replacement Program	\$501,649	\$0	\$501,649	\$1,075,400	\$0	\$1,075,400
200	SR-Overhead	Planned	Various	Pole Replacement Program	\$329,098	\$0	\$329,098	\$325,050	\$0	\$325,050
201	SR-Overhead	Planned	HCP50913	Porcelain to Poly replacement program	\$86,832	\$0	\$86,832	\$145,000	\$0	\$145,000
				Planned OH Replacements				\$67,350	\$0	\$67,350
				MS4 / Derry Rd Conversion				\$100,000		\$100,000
206	SR-Overhead	Reactive	Various	Reactive OH Replacement of defective/damaged equipment	\$85,719	\$0	\$85,719	\$438,000	\$0	\$438,000
202	SR-Overhead	Planned	Various	Overhead Transformer Replacement Program	\$0	\$0	\$0	\$0	\$0	\$0
	SR-Underground			Underground Distribution Replacement Program	\$433,652	\$0	\$433,652	\$782,750	\$0	\$782,750
202	SR-Undergr	Planned	Various	Padmounted Transformer Replacement Program	\$0	\$0	\$0	\$0	\$0	\$0
203	SR-Undergr	Planned	Various	Switchgear Replacement Program	\$120,392	\$0	\$120,392	\$90,000	\$0	\$90,000
				Planned UG Replacement				\$300,000		\$300,000
206	SR-Undergr	Reactive	Various	Reactive UG Replacement of defective/damaged equipment	\$48,135	\$0	\$48,135	\$222,750	\$0	\$222,750
204	SR-Undergr	wip	Various	Mushroom Regulator	\$265,125	\$0	\$265,125	\$170,000	\$0	\$170,000
204	SR-Undergr	Planned	Various	3 Phase Regulator Replacement	\$0	\$0	\$0	\$0	\$0	\$0
	SR-Meters			Meter Replacement Program	\$500,969	\$0	\$500,969	\$118,950	\$0	\$118,950
206	SR-Meters	Planned	Various	Proactive Meter Replacements	\$337,984	\$0	\$337,984	\$0	\$0	\$0
206	SR-Meters	Reactive	Various	Reactive Meter Replacements	\$70,415	\$0	\$70,415	\$118,950	\$0	\$118,950
206	SR-Meters	Planned	Various	Meter Room Upgrades - Cell Modems	\$92,570	\$0	\$92,570	\$0	\$0	\$0
				Total System Renewal	\$1,436,270	\$0	\$1,436,270	\$1,977,100	\$0	\$1,977,100
System Service										
	SS-Automation			System Automation Program	\$790,720	\$0	\$790,720	\$500,000	\$0	\$500,000
300	SS-Automation	Planned		Automated Switches - Vipers	\$221,952	\$0	\$221,952	\$300,000	\$0	\$300,000
300	SS-Automation	Planned		Automated Fault Indicators - Overhead	\$39,488	\$0	\$39,488	\$0	\$0	\$0
300	SS-Automation	Planned		Automated Switchgear Upgrade Program	\$237,856	\$0	\$237,856	\$0	\$0	\$0
300	SS-Automation	Planned		Automated Fault Indicators - Underground	\$0	\$0	\$0	\$0	\$0	\$0
300	SS-Automation	Planned		WiFiMax Deployment for SCADA Devices	\$71,424	\$0	\$71,424	\$0	\$0	\$0
300	SS-Automation	Planned		Survallent SCADA System	\$80,000	\$0	\$80,000	\$0	\$0	\$0
300	SS-Automation	Planned		Survallent OMS	\$140,000	\$0	\$140,000	\$200,000	\$0	\$200,000
				Total System Service	\$790,720	\$0	\$790,720	\$500,000	\$0	\$500,000
System Expansion										
	SS-System Expansion			System Expansion	\$0	\$0	\$0	\$190,000	\$0	\$190,000
302	SS-System Expansion	Planned	HCP50488	Carryover, Tremaine TS M1 & M2 egress cables	\$0	\$0	\$0	\$190,000	\$0	\$190,000
				Total System Expansion	\$0	\$0	\$0	\$190,000	\$0	\$190,000
General Plant										
401	GP-Building & Office	Planned		Building - Elevator + other	\$130,000	\$0	\$130,000	\$50,000	\$0	\$50,000
401	GP-Rolling Stock	Planned		Vehicle Replacement Program	\$0	\$0	\$0	\$0	\$0	\$0
402	GP-Stores & Major To	Planned		Stores Equipment & Major Tools	\$72,600	\$0	\$72,600	\$74,430	\$0	\$74,430
411	GP-Hardware	Planned		Computer Hardware	\$82,500	\$0	\$82,500	\$56,236	\$0	\$56,236
411	GP-Software	Planned		Computer Software	\$46,000	\$0	\$46,000	\$50,279	\$0	\$50,279
				Total General Plant	\$331,100	\$0	\$331,100	\$230,945	\$0	\$230,945
				Total Capital	\$10,855,457	\$3,396,419	\$7,459,039	\$9,970,536	\$2,024,405	\$7,946,131

6.2

Tab Ref #	Category	Job Type	Job Name	2021 Total Budget		
				Job Total (Gross)	Capital Contribution	Job Net
System Access						
	SA-Roads		Capital Road Projects	\$3,980,133	\$2,572,136	\$1,407,997
100	SA-Roads	Planned	TOM: Main St & 5th Line, pole line relocation	\$398,668	\$95,073	\$303,595
101	SA-Roads	Planned	TOM: Bronte St. Main to Steeles - Reconstruction	\$2,529,278	\$2,188,354	\$340,924
102	SA-Roads	Planned	ROH: Britannia, RR25 to JSP Line Relocation 2- Ccts, PH1	\$781,522	\$223,319	\$558,203
103	SA-Roads	Planned	CN: Lower Base Line E Tremaine at tracks, Temp Pole Line Relocatio	\$270,665	\$65,389	\$205,276
	SA-Services		General Service & Metering Connections	\$1,726,010	\$739,092	\$986,918
110	SA-Services	Planned	Customer Connections - General Services & Others	\$985,456	\$739,092	\$246,364
111	SA-Services	Planned	Meter Reverification Program	\$441,055	\$0	\$441,055
111	SA-Services	Planned	Condo - New Installs	\$37,737	\$0	\$37,737
111	SA-Services	Planned	Commercial/Industrial Meter Installs < 200kVA	\$119,736	\$0	\$119,736
111	SA-Services	Planned	Commercial/Industrial Meter Installs > 200kVA	\$142,025	\$0	\$142,025
112	SA-Subdivisions	Planned	New Residential Subdivisions	\$2,530,000	\$1,348,383	\$1,181,617
			Total System Access	\$8,236,143	\$4,659,611	\$3,576,532
System Renewal						
	SR-Overhead		Overhead Distribution Replacement Program	\$1,213,086	\$0	\$1,213,086
200	SR-Overhead	Planned	Pole Replacement Program	\$399,763	\$0	\$399,763
201	SR-Overhead	Planned	Porcelain to Poly replacement program	\$126,832	\$0	\$126,832
202	SR-Overhead	Planned	Overhead Transformer Replacement Program	\$0	\$0	\$0
203	SR-Overhead	Reactive	Reactive OH Replacement of defective/damaged equipment	\$326,491	\$0	\$326,491
204	SR-Overhead	Planned	Overhead Rebuild	\$360,000	\$0	\$360,000
	SR-Underground		Underground Distribution Replacement Program	\$1,085,784	\$0	\$1,085,784
202	SR-Underground	Planned	Underground Transformer Replacement Program	\$310,994	\$0	\$310,994
203	SR-Underground	Reactive	Reactive UG Replacement of defective/damaged equipment	\$310,994	\$0	\$310,994
205	SR-Underground	Planned	Underground Rebuild	\$0	\$0	\$0
206	SR-Underground	Planned	Switchgear Replacement Program	\$168,795	\$0	\$168,795
207	SR-Underground	Planned	13.8kV Conversion + Regulator Replacement	\$295,000	\$0	\$295,000
	SR-Meters		Meter Replacement Program	\$1,357,008	\$0	\$1,357,008
211	SR-Meters	Planned	Proactive Meter Replacements	\$846,996	\$0	\$846,996
211	SR-Meters	Reactive	Meter Replacements > 15 Years Old	\$384,000	\$0	\$384,000
211	SR-Meters	Planned	Meter Room Upgrades - Cell Modems	\$126,013	\$0	\$126,013
			Total System Renewal	\$3,655,878	\$0	\$3,655,878
System Service						
	SS-Automation		System Automation Program	\$775,544	\$0	\$775,544
300	SS-Automation	Planned	Automated Switches - Vipers	\$247,440	\$0	\$247,440
300	SS-Automation	Planned	Field Device Monitoring	\$83,464	\$0	\$83,464
300	SS-Automation	Planned	Automated Switchgear Upgrade Program	\$118,928	\$0	\$118,928
300	SS-Automation	Planned	Communication for Distribution Automation	\$35,712	\$0	\$35,712
300	SS-Automation	Planned	Survallent SCADA/OMS System	\$290,000	\$0	\$290,000
	SS-System Expansion		System Expansion	\$59,821	\$0	\$59,821
301	SS-System Expansion	Planned	Tremaine, 14 Side Road to Steeles, add 2nd circuit	\$59,821	\$0	\$59,821
302	SS-System Expansion	Planned	System Expansion Feeder Egress	\$0	\$0	\$0
303	SS-System Expansion	Planned	System Expansion New TS	\$0	\$0	\$0
			Total System Service	\$835,365	\$0	\$835,365
General Plant						
401	GP-Building & Office Equipment	Planned	Drainage System Repair & Replacement - Warehouse	\$40,000	\$0	\$40,000
401	GP-Building & Office Equipment	Planned	Elevator Upgrade	\$0	\$0	\$0
401	GP-Building & Office Equipment	Planned	Gate Intercom System	\$6,500	\$0	\$6,500
401	GP-Rolling Stock	Planned	Squirt Boom Ariel truck	\$225,000	\$0	\$225,000
402	GP-Stores & Major Tools	Planned	Stores Equipment	\$20,000	\$0	\$20,000
402	GP-Stores & Major Tools	Planned	Major Tools	\$30,000	\$0	\$30,000
411	GP-Hardware	Planned	Computer Hardware	\$122,500	\$0	\$122,500
411	GP-Software	Planned	Computer Software	\$488,000	\$0	\$488,000
			Total General Plant	\$932,000	\$0	\$932,000
			Sub-Total Capital	\$13,659,387	\$4,659,611	\$8,999,776
			NBV of Removals	-\$350,000		-\$350,000
			Total Capital	\$13,309,387	\$4,659,611	\$8,649,776

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Milton Hydro Distribution Inc.
2020P 2021B Hardware & Software Budget

A/C 1920 & 1611
Hardware

	2018 Actual	2019 Budget	2019 Actual to date (Sept)	2019 Projection	2019 Actual	2020 Budget	2020 Projection	2021 Budget
iPads for inspectors (2)		\$ 1,000						
Bar Code Readers				\$ 5,000	\$ 6,277	\$ 5,000		
Protector		\$ 3,500						
Table, Scanner					\$ 3,718			
Mobile Inspection		\$ 5,000						
Control Room						\$ 30,000		
Desktops / PC / Laptops		\$ 8,600		\$ 19,000		\$ 16,000		
FieldSense Hardware		\$ 4,500				\$ 4,500		
Servers		\$ 50,000	\$ 52,383	\$ 52,383	\$ 52,383	\$ 25,000	\$ 50,000	
Monitors		\$ 5,000		\$ 1,500				
Elster Bluetooth, radio					\$ 2,522			
Toughbook Metering		\$ 3,000	\$ 2,171	\$ 2,171	\$ 2,171			
Dell Systems			\$ 6,856	\$ 6,856	\$ 11,596		\$ 1,777	
Beyond Trust Remote Access HW						\$ 2,000	\$ 4,458	
Fortinet & Forticare 5yr (Firewall)		\$ 15,000	\$ 27,831	\$ 27,831	\$ 27,831		\$ -	
Dell XPS 15							\$ 6,443	
CDW HW & equipment							\$ 3,041	
Dell Poweredge R340							\$ 2,978	
Desktops (7)								\$ 10,500
iPads (5)								\$ 5,000
Control Room								\$ 30,000
Laptops (7)								\$ 14,000
FieldSense Hardware								\$ 4,500
Servers (2)								\$ 50,000
Monitors (10)								\$ 2,500
Board Room Team Room Hardware							\$ 20,000	
Network Switches (2)								\$ 6,000
	\$ 81,671.45	\$ 95,600.00	\$ 89,240.65	\$ 114,740.65	\$ 106,498.22	\$ 82,500.00	\$ 56,235.75	\$ 122,500.00
				20%		19%		

Software

HCP51202, 50934, 50570, 50377	SCADA Implementation (Survant)	\$ 244,125.53	\$ 90,826	\$ 118,148					(Ray + consultant)
	CYME Gateway SW	\$ 136,755.39	\$ 8,348	\$ 8,348	\$ 5,321				
	StarWind VSAN	\$ 5,664.50							
	Elster Solutions project services	\$ 63,565.00							
	MS RDS License	\$ 1,895.40							
ESRI	ArcGIS User License	\$ 12,915.00	\$ 4,745	\$ 4,745	\$ 4,745		\$ 400		
HCP50249	ARC GIS online Maps	\$ 31,715.68	\$ 26,909	\$ 40,000	\$ 31,664				
CDW	SmartVu User License Unlimited	\$ 19,712.33	\$ 12,000	\$ 12,000	\$ 12,000				
	Kentico Software Website License	\$ 13,391.66							
	MS Server Licenses	\$ 18,000	\$ 29,806	\$ 29,806	\$ 29,806	\$ 10,000	\$ 30,000		
	Starwind	\$ 6,000					\$ 6,000		
	Mobile Inspection	\$ 5,000							
	FieldSense	\$ 4,000							
CDW	Microsoft Win Server pro Loc		\$ 5,665	\$ 5,665	\$ 5,665	\$ 6,000	\$ 3,255		
	MS Security Center	\$ 43,000							
	MS SQL Server for MV90					\$ 10,000			
	OMS Customer email								
	Survant FLSIR - Auto Switch								
	Beyond Trust Remote Access SW					\$ 20,000	\$ 10,624		
New Capital WO	Utilismart - SW License 5 year								
	Utilismart - One Time								
	SCADA							\$ 15,000	
	Starwind VSAN							\$ 6,000	
	MS Server Licenses							\$ 30,000	
	Northstar Automation Platform							\$ 45,000	
	MV90 Upgrade							\$ 7,000	
	Cayenta Upgrade/New Financial System							\$ 250,000 **	
	Website Update							\$ 25,000	
	Load Forecast SW							\$ 10,000	
	Workforce automation							\$ 100,000	
	\$ 550,748.19	\$ 76,000.00	\$ 178,297.64	\$ 100,562.70	\$ 207,347.79	\$ 46,000.00	\$ 50,279.17	\$ 488,000.00	
	\$ 632,419.64	\$ -	\$ 171,600.00	\$ 267,538.29	\$ 313,846.01	\$ 128,500.00	\$ 106,514.92	\$ 610,500.00	
				25%		17%			

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