



BRANTFORD ENERGY CORPORATION
P.O. Box 308
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N3T 5N8

THE ENERGY BEHIND BRANTFORD

BRANTFORD ENERGY CORPORATION 2015 ANNUAL REPORT





Brantford Energy Corporation

We provide leadership, guidance and communication links to the corporate family to assist them in developing and fulfilling their mandates pursuant to the Shareholder’s Declaration and we facilitate liaison with other corporate stakeholders.

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Brantford Energy Corp.



Brantford Energy Corporation (BEC) operates as a holding company for three businesses: Brantford Power Inc. (BPI), Brantford Hydro Inc. (BHI), and Brantford Generation Inc. (BGI). Its sole shareholder is the Corporation of the City of Brantford.

Financial Overview

BEC's consolidated net income for 2015 was \$3.2 million, a decrease to the \$3.5 million net income reported in 2014.

From a consolidated perspective, the overall return on equity was 9.99 per cent. The consolidated returns over the last two years have been better than the previous years. This is despite the BGI performance challenges.

Total consolidated assets were \$115.4 million, an increase from \$111.1 million in 2014. Consolidated revenue was \$24.43 million in 2015 compared to \$25.95 million in 2014. Operations and maintenance, and general administration expenses are both up from 2014. The total dividends paid in 2015 to the City of Brantford, was \$1.15 million.

Organizational Governance

2015 signalled the first full year of a new executive structure for Brantford Energy Corporation. We successfully implemented changes to our organizational governance and executive leadership structures while achieving strong financial results and continuing to support the City of Brantford's economic growth and development strategy.

By implementing these changes, we have refined our organizational governance and executive leadership structures to position us to succeed in a continuously evolving energy sector. We have also strengthened the organization's role of providing the City of Brantford and its citizens and businesses with safe, reliable, efficient and locally operated electricity, telecommunications and energy-related services.

Our streamlined decision making has made more efficient use of member and Board time; meetings are efficient and focused; there is broader sector awareness; and the inclusion of diverse opinions has made for a better business model. There is a balanced view and contribution from all Boards while protecting compliance with the Affiliate Relationship Code.

BEC Strategic Plan

The Board of Directors focused on a long-term strategic planning initiative that set out the strategic direction for all of the companies of the Brantford Energy Corporation for the next three to five years. Concerted efforts from a forward thinking Board has helped us address the changing marketplace and energy sector, deliver superior service, maintain our best-in-class service and keep Brantford's economic development agenda visible every day. The holistic three year strategic planning exercise concluded with approval from the Board of Directors in June 2015.

Six key strategic priorities were identified:

1. A continued focus on providing operational excellence and customer service within BPI.
2. To be active in the changing electricity distribution sector; pursue opportunities for collaboration or new relationships that may add value to the LDC business.
3. To evaluate and assess investment in BPI Common Operations Facility.
4. A continued focus on operational excellence and customer service within BHI.

5. Pursue growth of telecom business within and outside of Brantford both organically through network expansion and through mergers, acquisitions and/or partnerships.
6. Stabilize BGI operations and pursue alternative structures to maximize value and retain the environmental benefits of generation facility operations.

The structure of the distribution business is undergoing significant change with consolidation being one of the major drivers. In 2015 the BEC family of companies had several large strategic undertakings in addition to day to day activities. }

BRANTFORD POWER INC.

Brantford Power continued to make investments in core areas of the business – health and safety for both the public and its employees, and delivering value for the shareholder.

Leadership | Strategic Goals

In 2015, we continued to demonstrate our commitment to the long-term strategic plan established for the business by the BPI Board of Directors in 2014. Throughout the year, we focused on the company’s five strategic goals: investing in human resources, growing our business, pursuing organizational efficiencies, service excellence and quality, raising community visibility and establishing the Brantford Power brand, and having an increasing role in energy efficiency and conservation.

We invested in infrastructure, health and safety, customer service, and employee engagement to ensure a safe, reliable, and price-competitive electricity distribution system for the City of Brantford, its citizens and businesses. In an ever-evolving energy sector, we adapted to sector trends and industry changes while staying focused on our strategic goals.

Human Resources |

Investing in Talent for the Future

At Brantford Power, we strive to remain a competitive employer and to maintain one of the best workforces in the Ontario energy sector. Specific to change management, we made significant progress on the leadership and professional development training agenda in 2015. The performance management program introduced in 2014, which focuses on behavioural competencies, accountabilities and results, and is reflective of best practice approaches employed by other organizations, continued into 2015. We have also made succession planning a focus; identified and selected new leadership resources in field operations and are preparing for further workplace changes due to demographic realities within the Brantford Power’s workforce

in the next few years.

These initiatives have helped us to develop leaders from within the utility and to attract new talent in a competitive market particularly in the functional areas of information technology, professional management, apprentices, and the development of operational management expertise to meet our business needs now and into the future.

Ensuring the wellbeing of our employees through a range of health and safety standards, programs and training initiatives is an ongoing priority for the organization.

Health and Safety

Brantford Power remains committed to protecting the health and safety of all our workers, and maintaining a proactive approach to eliminating workplace injuries and illnesses. Our commitment to health and safety is reflected in our zero lost-time incidents record. In 2015, we completed “Outcomes Level II of ZeroQuest” through the Infrastructure Health and Safety Association (IHSA). ZeroQuest is an auditing program designed to guide workplaces in implementing, sustaining and continually improving their health and safety management system.

A milestone for the business in 2015 was approval from the Ontario Ministry of Labour to upgrade/validate our Joint Health and Safety Committee operating in three separate locations. The multi-site designation from the Ministry was a tremendous accomplishment for Brantford Power as it reinforced and validated the purpose of the joint Health and Safety Committee to have a holistic view of the entire business and the safety and wellbeing of all employees.

Instead of three health and safety committees operating separately at locations across the city, this collective approach is a more efficient use of time. Every employee’s health and safety agenda is valued equally and consistently, regardless of job function.

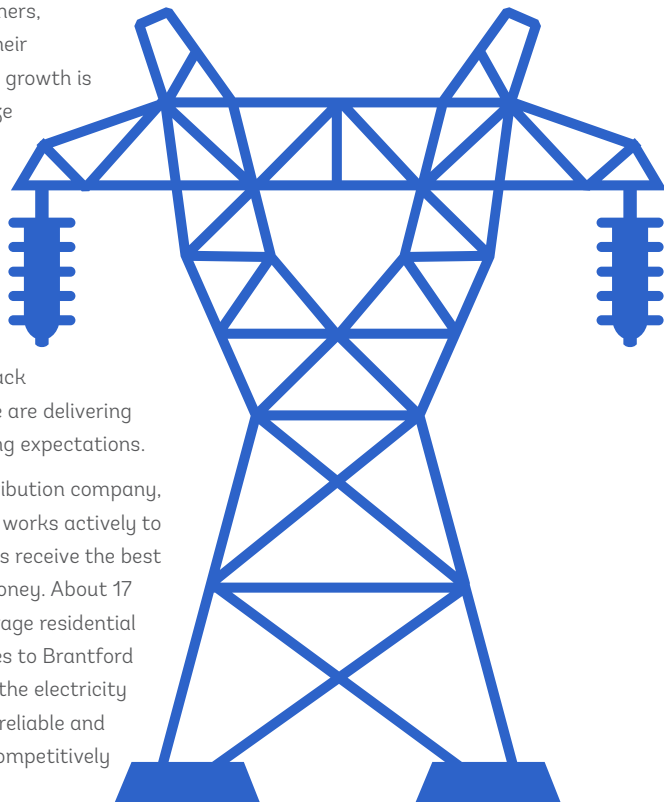
In April 2015, Brantford Power held its first free Powerline Safety Seminar for workers and businesses. The seminar included presentations by leading experts on electrical safety from the Ontario Ministry of Labour, the Electrical Safety Authority, and Brantford Power. High voltage powerlines are unforgiving and lethal. The most common powerline hazards at work are dump trucks and other “high-reach” vehicles that operate in proximity to powerlines. The Powerline Safety Seminar was well received and will become an annual event in Brantford.

Business Growth | Delivering Value

Brantford Power continues to be accessible to the City of Brantford to help fulfill its economic objectives. Our local presence and shared interest in the economic development of the community allows us to play a key role in supporting the city’s economic development strategy and agenda.

We are in constant communication with our large commercial and industrial customers, learning about their needs and where growth is expected. Our size allows us to provide a more personal approach and maintain meaningful relationships. Customer feedback confirms that we are delivering value and meeting expectations.

As the local distribution company, Brantford Power works actively to ensure customers receive the best value for their money. About 17 cents of the average residential customer bill goes to Brantford Power to ensure the electricity system remains reliable and safe as well as competitively priced.



“ Over the past 17 years, Brantford Power has raised significant funds to support capital projects at Participation House. We are proud to have Brantford Power as one of our community friends.”

Sherry Kerr
Executive Director,
Participation House Brantford

Organizational Efficiencies | Service Quality

As expected, we moved from the planning stage to implementation of the “modernization” agenda of our systems and IT infrastructure in 2015. In response to customers’ feedback and the identified preference for increased self-service options, a new e-billing portal was launched in July 2015. Paperless billing, which enables potential cost savings through a reduction in paper products and postage, has been well received by our customers with a 5% uptake to date. As part of this initiative, we also undertook a bill redesign to improve accessibility and readability for Brantford Power customers, and outsourced the printing of paper bills.

Our Financial Information System (FIS) is slated for renewal and will be replaced with new technology that provides for integration of information and superior performance. The increasing requirement for the business to have access to timelier reporting on behalf of the ratepayers of Brantford necessitated a marketplace search for an advanced FIS. We issued an RFP in May 2015 and a short list of vendors was set. Results of the planning phase will be a detailed Project Charter and Project Plan for final approval in mid-2016 with implementation by end of year 2016.

Community Participation

With the full support of the company, Brantford Power’s employees continued their grassroots support of the Children’s Safety Village, Participation House Brantford, and the local food bank.

Over the years, Brantford Power and its employees have raised more than \$57,000 for Participation House Brantford. With this support, Participation House was able to invest in equipment to improve the quality of life for residents. In 2015, our employees broke their own record by raising 4,804 kilograms (10,592 pounds) of food for the local food bank—far exceeding their 2014 achievement of 2,771 kilograms (6,109 pounds) of food.

At Brantford Power, we are very proud of our high visibility throughout the Brantford community and our active participation with key groups. Our role is not only to provide safe, reliable electricity to our customers, but also to enhance Brantford’s quality of life and help make Brantford a better place to live and work.

Conservation Best Practices

On September 30, 2015, Brantford Power submitted its 2014 Conservation and Demand Management (CDM) Annual Report which summarized the CDM activities undertaken by Brantford Power for the January 1, 2014 to December 31, 2014 period, along with the net peak demand and net energy savings achieved from 2011-2014. Brantford Power achieved 9.1 MW or 79.7% and 82.5 GWh or 168.6% towards its overall peak demand reduction and energy consumption reduction targets respectively. The Ontario Energy Board’s Conservation and Demand Management 2011-2014 Results report identified that collectively Local Distribution Companies (LDCs) achieved 70% of the total provincial peak demand target and 109% of the overall energy savings target for the same period.

Brantford Power was one of only a few LDCs in the province that met or exceeded its assigned CDM targets, and on November 18, 2015, joined other LDCs for a reception at Queen’s Park in recognition of the sector’s overall achievements in conservation during the 2011 to 2014 framework. The event was well attended by stakeholders from across the sector, including The Hon. Bob Chiarelli, Minister of Energy (who addressed the attendees), MPPs, senior Ministry staff, and senior energy industry leaders.

Brantford Power’s new CDM Plan was submitted on April 29, 2015, approved on July 27, 2015, and identified January 1, 2016 as the implementation date of the new Conservation First Framework (CFF) 2015-2020. To ensure a smooth transition, most 2011-2014 Programs and Rules were extended into 2015 until the CFF implementation date.

Moving forward in energy efficiency and conservation, Brantford Power continues to focus on providing the tools and support necessary to meet customer needs, growing our recognition as a leader in conservation best practices, and maintaining strong channel partner and vendor relationships. We are well-positioned to achieve a reduction in electricity consumption by the CFF assigned target of 54.32 GWh by December 31, 2020.

Customer Satisfaction | Outreach

In 2015, Brantford Power solidified a series of initiatives to evaluate customer satisfaction levels. Our annual benchmark Customer Satisfaction Survey of both residential and business customers was conducted. Overall, satisfaction with Brantford Power was excellent—96% among residential customers and 97% among business customers. In addition, satisfaction with respect to quality of power service was 98%; quality of customer service 96%; affordability of service was rated 76%, and first call resolution was rated 82%.



Despite the overwhelming positive results, we are committed to maintaining this high level of service excellence by continuously identifying and targeting opportunities for improvement, through monthly “transactional” customer service evaluations which were introduced in the previous year. Each month, 50 customers who have had contact with the company receive follow-up calls during which they are asked to evaluate the quality of their interactions with front-line customer service employees and their level of satisfaction in resolving their issues. In November 2015, customers continued to be very satisfied with Brantford and their service experience. The results indicate overall satisfaction with Brantford Power at 96%, while customers were very satisfied (98%) with the overall quality of the service provided on calls.

Identifying key drivers of satisfaction helps Brantford Power to better understand what is most important to customers and where to focus efforts on activities that will have the

greatest impact on overall satisfaction. This information is used to facilitate business decision-making, to identify customers’ needs and preferences, and for the coaching and development of employees.

In 2015 we built on our goal to improve our communication with our large industrial and commercial customers who play a key role in the economic development agenda for the community. We assigned senior leadership to meet with the top large customers in Brantford to facilitate improved communication on issues like billing complexity, service delivery, conservation, quality and reliability.

We recognize our business customers’ own commitment to our shared energy conservation agenda which helps us reach our Independent Electricity System Operator’s (IESO) mandated conservation targets and helps our customers become more sustainable.

Regional Planning Process

Brantford Power in 2015 was a key contributor to the regional planning

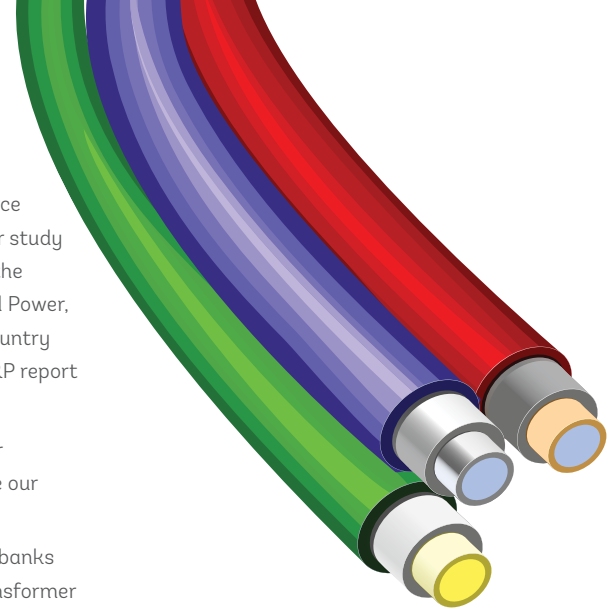
process. The Integrated Resource Regional Plan (IRRP), a 20-year study from 2013-2033, is guided by the IESO with input from Brantford Power, Energy Plus (formerly Brant Country Power) and Hydro One. The IRRP report made four recommendations:

- 1) To continue to implement our conservation plans and achieve our conservation targets;
- 2) the installation of capacitor banks at the Powerline Municipal Transformer Station which was completed in July 2015 (BPI contribution to the project over the three-year implementation period was \$783,374);
- 3) a capacity upgrade at a Hydro One transmitter site in 2018 that services our feeders;
- 4) implementation of a local demand response pilot program which will be led by IESO with input from local distributors who would be impacted (Brantford Power, Energy Plus and Hydro One).

Brantford Power solely represented the community of Brantford in the Integrated Resource Regional Plan, ensuring we have the infrastructure in place for Brantford’s future success. Because of our work with the IRRP in 2015, we have increased our competence and will be in a position to service growth as it comes to the region.

Asset Management Program

At Brantford Power, the safety and reliability of our local electricity distribution system is a key priority. As part of the Asset Management Program, we evaluate the condition of our distribution system assets and conduct a full inspection on a three-year cycle. A third of the system is inspected every year, including poles, transformers, switches and overhead conductors. We review the physical condition of equipment and determine whether reinforcement or replacement is needed. Any assets that have reached the end of their life are replaced.



Capacity Improvements

In 2015 Brantford Power completed the extension and the rebuild of a number of feeders along Powerline Road in Brantford. The multi-year project allowed us in an organized fashion to provide more capacity and more reliability to customers in the northern portion of our service area.

In 2015 there was an uptake in the connection of renewable generation. As part of the Fee in Tariff (FIT) program, Brantford Power connected six additional generators with a combined capacity of 1.475 megawatts, our biggest single year connection to date.

BRANTFORD HYDRO

NetOptiks

Network access and IP services, such as Internet Transit, and Point to Multi Point Wide area Networking have evolved into a critical utility for day to day business continuity. Investment in core infrastructure will allow NetOptiks to remain one of most resilient networks in the City of Brantford.

One of our most significant accomplishments in 2015 was the start of a secondary fail over location or point of distribution for the NetOptiks telecommunications network in Brantford. By duplicating or “twinning” technology and equipment at the secondary site, we will achieve further redundancies in the optical network. This level of network optimization will translate into an increased customer experience by way of faster network performance, increased bandwidth options and 99.999% up time and network availability service level guarantees.

In 2015 Brantford Hydro entered into the Voice Over IP business which will usher in a new era for the company and expand its role as both a data communications provider and a telecommunications provider. We have expanded significantly in the private sector with network expansion and our customer base has grown as a result. Our large market share in the private sector is a result of

our competitive offering and customers realizing that they need to grow beyond traditional telecommunications services and recognizing the value offered by NetOptiks.

Enersure Home Comfort

2015 was another banner year for our home comfort business unit. The focus of our marketing efforts coupled with social media reinforced the brand in the city and differentiated us as a top tier provider of home comfort solutions with a local focus. Brand awareness has escalated among both existing and potential customers for 2015.

Enersure Home Comfort created and implemented a survey of 1000 local potential customers to gauge public perception and develop a strategic sales effort to increase brand awareness and reinforce Enersure as “Your Local Home Comfort” provider. Our marketing efforts were modified to incorporate the results.

Enersure’s capital program tested the market in 2015 and a formal RFQ for water heaters and related equipment was completed. The result was a consolidation of all purchases under one supplier to achieve better buying power and economies of scale. We exceeded the \$1 million mark in contracted revenue for gas water heaters and softeners since program inception in 2011.

Our energy efficient product lines including tankless (on-demand) water heaters and the leasing and rental of home HVAC systems contributed to a strong bottom line performance by the company.

As agreed in 2014, Brantford Hydro divested the “legacy” sentinel lighting business unit (the rental of street, parking lot and high-rise parking lighting) in conjunction with Board resolution, and completed full transition to a new owner in 2015.

BRANTFORD GENERATION INC.



The implementation of the Leachate Collection System for Brantford Generation took place over the spring

and summer of 2015 to help the generation activities of the facility by reducing the amount of methane gas that was transpiring within the landfill site. The state-of-the-art system was put in place to manage the higher than normal liquid levels within the landfill site to increase the generation output of the facility and to make it run more effectively under the circumstances.

Despite our best efforts and use of leading-edge technology, surface water and leachate continued to penetrate the landfill site, flooding the wells and pumps fitted to extract the methane gas, which has led to both production and financial setbacks for Brantford Generation. After achieving its highest output in 2012, and despite best efforts to remedy with the aforementioned installation of pumps, electricity generation at the Mohawk Street Landfill Gas Collection and Utilization facility has declined to a level that is insufficient to support a stand-alone business with its current financial structure.

In November 2015, Brantford Generation led discussions with the City of Brantford to develop an analysis that assessed stakeholder considerations, current cash flow and financial position and the qualitative and quantitative impact of proposed resolutions.

Based on the review and analysis of several strategic alternatives and in collaboration with all impacted parties it was agreed that the assets and operations of Brantford Generation be fully assumed by the City of Brantford in 2016. The activities associated with the landfill gas collection system and generating facility will be a separate business unit within the Solid Waste Operations Division of the Environmental Services Department within the Public Works Commission. Efficiencies will be realized as the facility’s operations and administration are integrated within the city’s existing structure.



Brantford Power Inc.

Financial Overview

Total revenue in 2015 was \$20.95 million down -4.47 per cent from \$21.93 million in 2014. Distribution revenues were \$17.23 million, representing a \$0.502 million decrease over the level of 2014, and \$899,148 higher than budget. Operating expenses of \$9.64 million were marginally higher than \$9.33 million in 2014, and lower than 2015 budget estimate of \$10.2 million.

Brantford Power's long-term debt has decreased by \$1.14 million reflecting the principal payments made during 2015. Dividend paid to shareholder was \$1,000,000. Net income was \$3.10 million compared to \$2.59 million in 2014, and the 2015 budgeted target of \$1.31 million. Brantford Power reported a \$2.01 million or 90.2% increase in pre-tax earnings totalling \$4.24 million in 2015.

This year's performance reflects a 7.62 per cent return on average equity compared to 6.79 per cent in 2014, and 2015 budget of 3.85 per cent. Total assets of Brantford Power were \$109.49 million, up marginally from \$105.47 million in 2014.

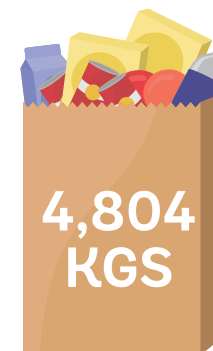


Ministry of Labour approves multi-site designation from the Ministry of Labour for Joint Health and Safety Committee

Highlights

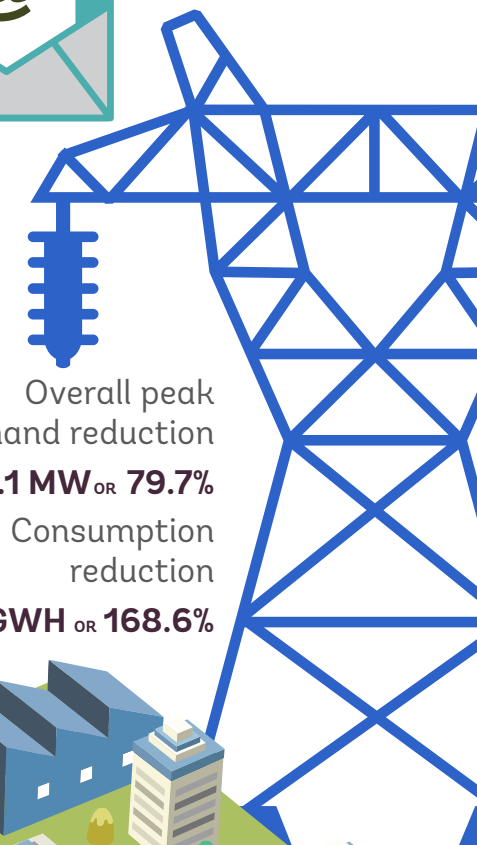


"Outcomes II Level of ZeroQuest" completed through the Infrastructure Health and Safety Association (IHSA)



Employees raised a record-breaking 4,804 kg (10,592 lbs) of food for the local food bank

Brantford Power e-billing portal launched, bill format redesigned, bill print outsourced



Overall peak demand reduction
9.1 MW or **79.7%**
Energy Consumption reduction
82.5 GWH or **168.6%**



96%
residential



97%
business

CUSTOMER SATISFACTION LEVELS

Brantford Hydro Inc.

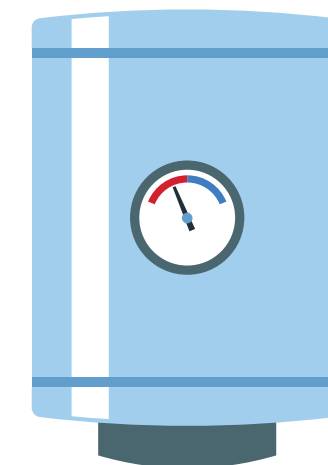
Financial Overview

Total revenue for Brantford Hydro was \$2.89 million in 2015, same as \$2.89 million in 2014. NetOptiks revenue was \$2.16 million in 2015 compared to \$2.17 million in 2014 and a \$2.28 million 2015 budget. Enersure revenue was \$712,927 in 2015 compared to \$699,000 in 2014, and a 2015 budget of \$765,132. Other Income was \$20,947 in 2015 compared to \$26,678 in 2014.

General administration costs are up 10.58 per cent from \$430,042 in 2014 to \$480,935 in 2015. Dividend paid to shareholder was \$400,000 in 2015. Return on average equity was 16.09 per cent compared to 22.27 per cent in 2014 and 16.67 per cent budget 2015.

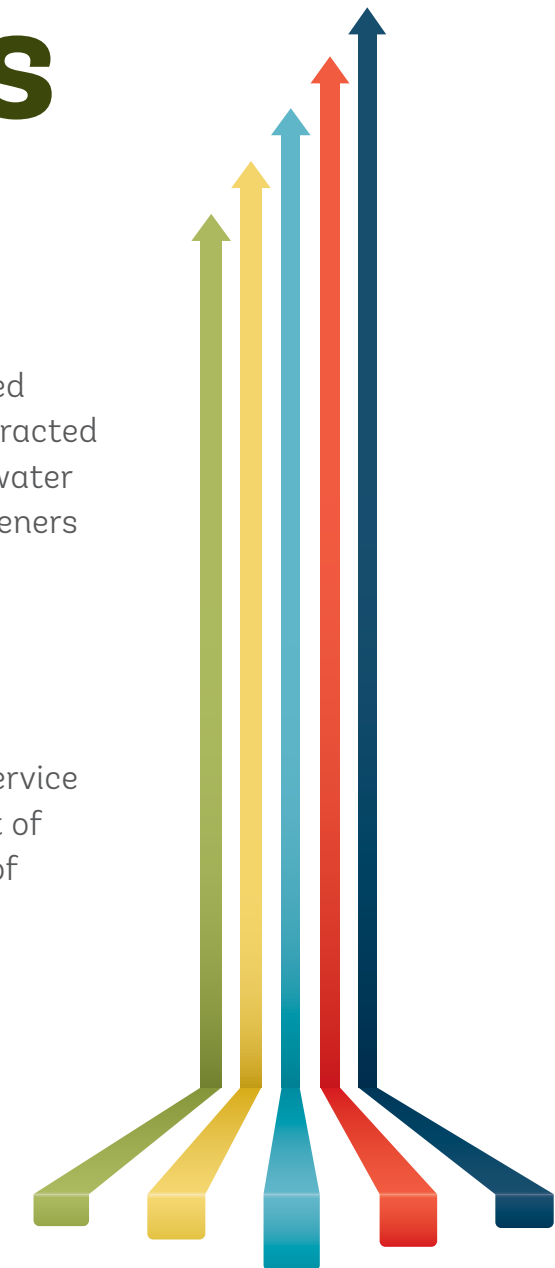
Net income of \$513,948 is an \$89,336 decrease to the \$603,284 net income in 2014, and slightly less than 2015 budget of \$518,233. Total assets were \$5.27 million, up from \$5.05 million in 2014.

Highlights

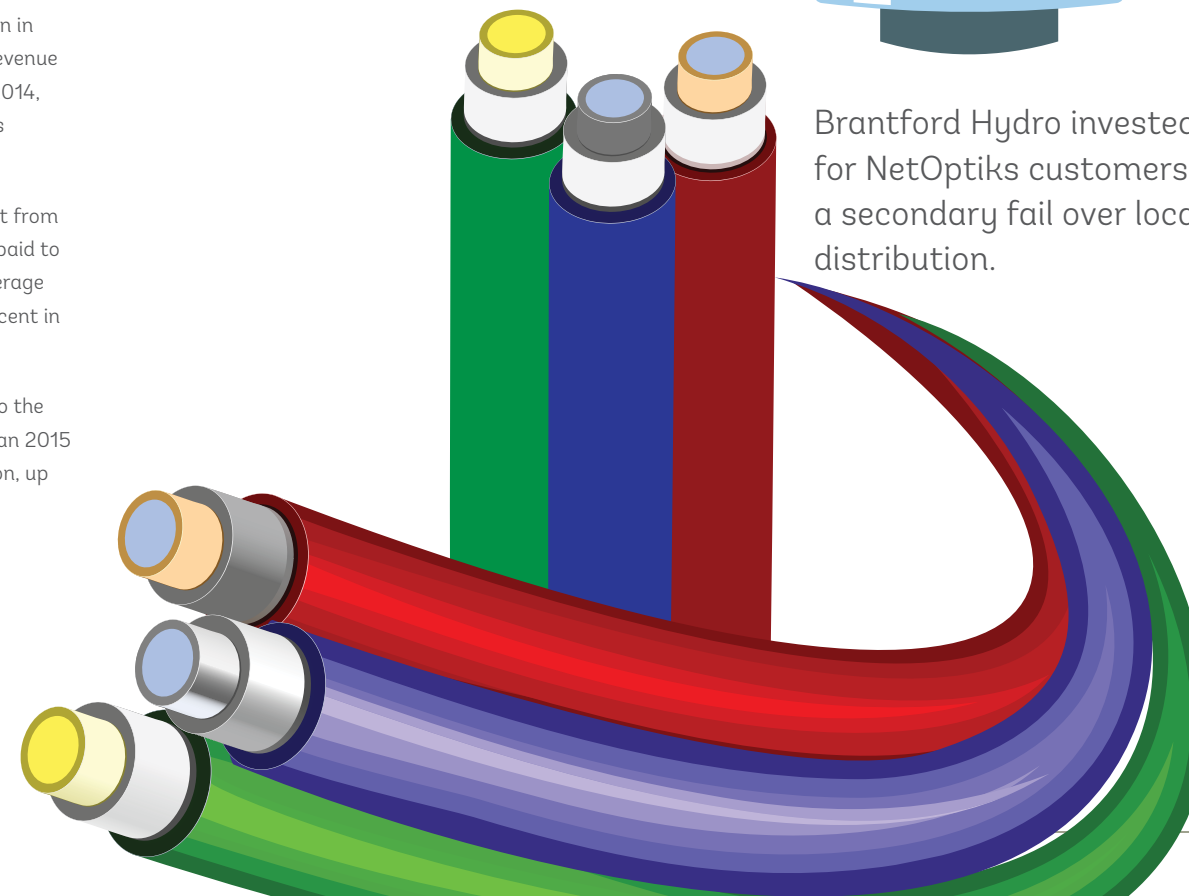


Enersure exceeded \$1 million in contracted revenue for gas water heaters and softeners

Brantford Hydro invested to improve service for NetOptiks customers with the start of a secondary fail over location or point of distribution.



Brantford Hydro profited from continued growth in Enersure and NetOptiks divisions



Brantford Generation Inc.

Financial Overview

Total revenue was \$1.06 million in 2015—total generation revenue earned in 2015 was \$1.05 million compared to \$1.28 million in 2014, and budget 2015 of \$1.56 million.

The company has incurred operating losses each year since its incorporation except in 2012 (net income of \$142,000). Lower than expected electricity production has been the leading cause for the net losses throughout this period. The net loss for 2015 was \$649,082 compared to \$215,764 loss in 2014. Total assets of Brantford Generation decreased from \$1.02 million in 2014 to \$533,490 in 2015.



{ Highlights

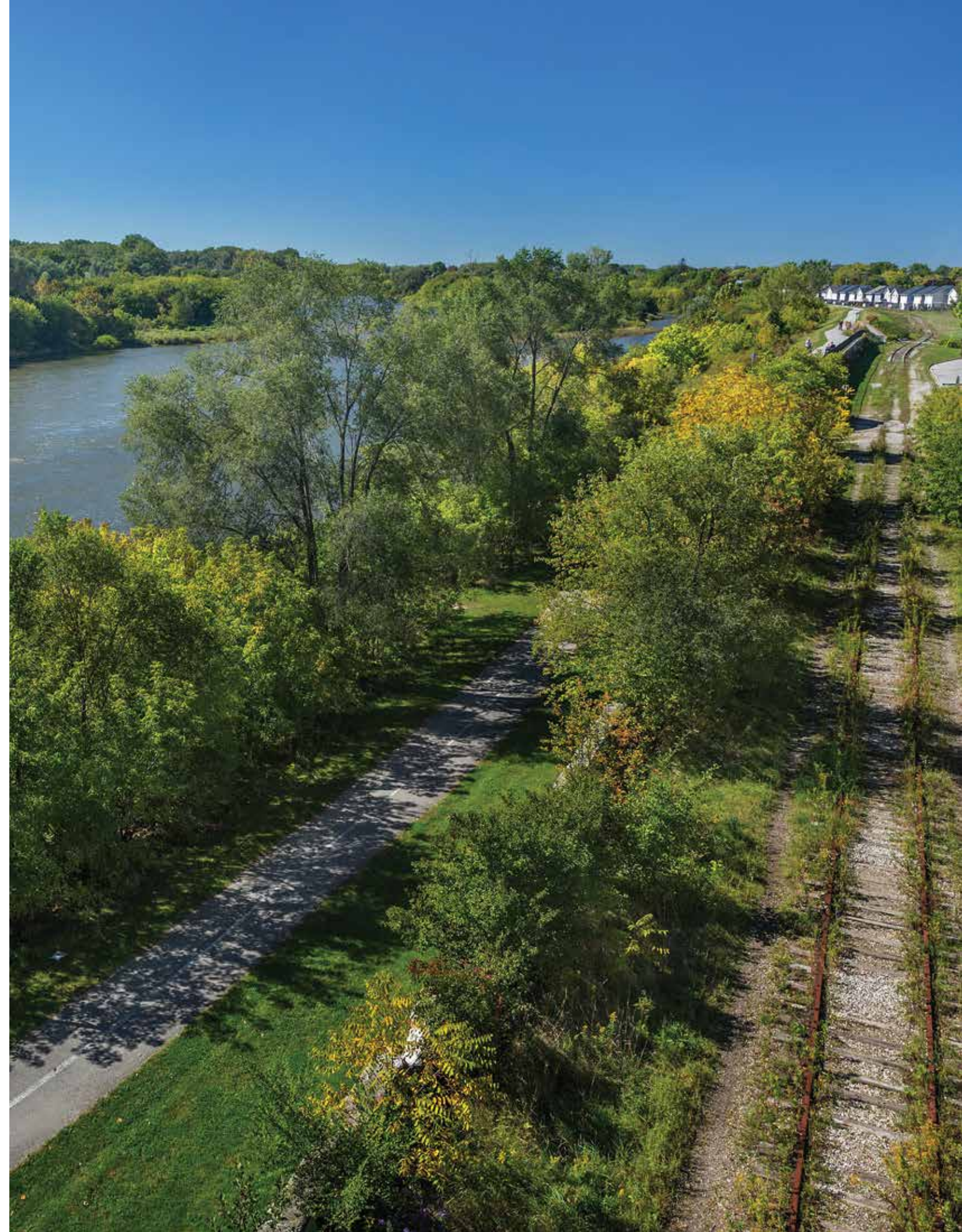


Brantford Generation continued responsible management to reduce methane and CO2 emissions into the environment from the Mohawk Street Landfill facility and, as an alternative, generate electricity.

Financial Statement

Management is responsible for the preparation of a summary of the audited (consolidated) financial statements. The audited financial statements of Brantford Power Inc. and the consolidated financial statements of Brantford Energy Corporation are available on the companies' websites. The following summary financial statements are based upon the audited financial statements upon which our auditors KPMG LLP expressed an unmodified opinion dated April 27, 2016 for the consolidated financial statements and dated March 23, 2016 for the individual companies' financial statements.

The summary (consolidated) financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited (consolidated) financial statements of the Companies. Reading the summary (consolidated) financial statements, therefore, is not a substitute for reading the audited (consolidated) financial statements of the Companies.



BRANTFORD ENERGY CORP.

SUMMARIZED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31	2015 (\$)	2014 (\$)
ASSETS		
Current assets	39,233,279	36,823,407
Property, plant and equipment	68,477,555	67,234,492
Other assets	840,019	1,036,201
TOTAL ASSETS	108,550,853	105,094,100
Regulatory assets	6,897,781	6,357,296
TOTAL ASSETS and REGULATORY BALANCES	115,448,634	111,451,396
LIABILITIES		
Current liabilities	33,058,747	32,458,416
Long-term debt	42,223,052	43,361,039
Other liabilities	3,155,057	2,280,394
TOTAL LIABILITIES	78,436,856	78,099,849
SHAREHOLDER'S EQUITY		
Capital stock	23,895,512	23,895,512
Retained earnings	8,117,796	6,100,616
Accumulated other comprehensive loss	715,416	692,104
TOTAL EQUITY	32,728,724	30,688,232
TOTAL LIABILITIES & EQUITY	111,165,580	108,788,081
Regulatory liabilities	4,283,054	2,663,315
TOTAL LIABILITIES, EQUITY AND REGULATORY BALANCES	115,448,634	111,451,396

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2015 (\$)	2014 (\$)
REVENUE		
Sale of energy	110,089,757	95,313,553
Electricity distribution and service revenue	17,231,694	17,733,523
Fibre optic and retail service revenue	2,871,068	2,852,328
Generation revenue	1,052,324	1,278,882
IESO conservation programs	2,537,140	3,407,271
Other revenue	738,421	682,200
	134,520,404	121,267,757
EXPENSES		
Cost of power purchased	108,636,420	99,969,443
Operations, maintenance and administration	12,096,341	11,529,672
IESO conservation programs	2,283,586	3,407,271
Other expenses	3,390,148	3,405,291
	126,406,495	118,311,677
Income from operating expenses	8,113,909	2,956,080
Finance income and costs		
Finance Income	370,366	408,073
Finance Costs	(2,531,804)	(2,618,398)
Income before the undernoted	5,952,471	745,755
Impairment of property, plant and equipment	286,638	87,099
Discontinued operations	(24,280)	(16,476)
Income before income taxes and regulatory movement	5,690,113	675,132
Income tax expense	1,374,756	(157,296)
Net income (loss) before regulatory movement	4,315,357	832,428
Movement in regulatory balances, net of tax	(1,148,177)	2,663,650
Net income for the year and net movement in regulatory balances	3,167,180	3,496,078
Retained earnings - Beginning of year	6,100,616	3,754,538
Dividends	(1,150,000)	(1,150,000)
Retained earnings - End of year	8,117,796	6,100,616

SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDING DECEMBER 31	2015 (\$)	2014 (\$)
OPERATING ACTIVITIES		
Net income (loss)	3,167,180	3,496,078
Changes to income not involving cash	6,324,023	(416,267)
Net change in non-cash working capital balances related to operations	(848,330)	(1,146,770)
	8,642,873	1,933,041
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and special deposits	(5,339,265)	(3,508,215)
Contributions received from customers	339,381	460,865
	(4,999,884)	(3,047,350)
FINANCING ACTIVITIES		
Repayment of long-term debt	(1,316,424)	(1,338,276)
Decrease in Deferred revenues	90,627	(25,054)
Dividends paid	(1,150,000)	(1,150,000)
	(2,375,797)	(2,513,330)
(Decrease) increase in cash and cash equivalents	1,267,192	(3,627,639)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,459,167	17,086,806
CASH AND CASH EQUIVALENTS, END OF YEAR	14,726,359	13,459,167

BRANTFORD POWER INC.

SUMMARIZED BALANCE SHEET AS AT DECEMBER 31	2015 (\$)	2014 (\$)
ASSETS		
Current assets	36,695,253	34,022,275
Property, plant and equipment	65,055,237	64,023,642
Other assets	840,019	1,065,389
TOTAL ASSETS	102,590,509	99,111,306
Regulatory assets	6,897,781	6,357,296
TOTAL ASSETS and REGULATORY BALANCES	109,488,290	105,468,602
LIABILITIES		
Current liabilities	19,551,961	18,992,864
Long-term debt	40,919,717	42,057,704
Other liabilities	2,936,553	2,084,883
TOTAL LIABILITIES	63,408,231	63,135,451
SHAREHOLDER'S EQUITY		
Capital stock	22,437,505	22,437,505
Retained earnings	18,639,596	16,535,739
Accumulated other comprehensive loss	719,904	696,592
TOTAL EQUITY	41,797,005	39,669,836
TOTAL LIABILITIES & EQUITY	105,205,236	102,805,287
Regulatory liabilities	4,283,054	2,663,315
TOTAL LIABILITIES,EQUITY & REGULATORY BALANCES	109,488,290	105,468,602

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2015 (\$)	2014 (\$)
REVENUE		
Sale of Energy	110,089,757	95,313,553
Distribution revenue	17,231,694	17,733,523
IESO conservation programs	2,537,140	3,407,271
Other revenue	1,178,498	792,603
	131,037,089	117,246,950
OPERATING EXPENSES		
Cost of Power Purchased	108,636,420	99,969,443
Operations, maintenance and administration	9,643,633	9,326,992
IESO Conservation programs	2,283,586	3,407,271
Other expenses	3,154,586	3,018,923
	123,718,225	115,722,629
Income from operating activities	7,318,864	1,524,321
Finance Income	352,260	380,537
Finance Costs	(2,279,989)	(2,338,717)
Income (loss) before income taxes	5,391,135	(433,859)
Current and future income taxes	1,139,101	(368,663)
Net income (loss) for the year	4,252,034	(65,196)
Movement in regulatory balances, net of tax	(1,148,177)	2,663,650
Net income for the year and net movement in regulatory balances	3,103,857	2,598,454
Retained earnings - Beginning of year	16,535,739	14,687,285
Dividends	(1,000,000)	(750,000)
Retained earnings - End of year	18,639,596	16,535,739

SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31	2015 (\$)	2014 (\$)
OPERATING ACTIVITIES		
Net income	3,103,857	2,598,454
Changes to income not involving cash	4,483,331	2,783,123
Regulatory balances	1,079,254	(3,594,908)
Net change in non-cash working capital balances related to operations	(870,587)	(811,000)
Net cash from operating activities	7,795,855	975,669
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and special deposits	(4,456,078)	(2,944,067)
Contributions received from customers	308,811	445,206
Net cash used by investing activities	(4,147,267)	(2,498,861)
FINANCING ACTIVITIES		
Repayment of long-term debt	(1,088,567)	(1,038,479)
Dividends paid	(1,000,000)	(750,000)
Net cash used by financing activities	(2,088,567)	(1,788,479)
CHANGE IN CASH AND CASH EQUIVALENTS	1,560,021	(3,311,671)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,331,058	14,642,729
CASH AND CASH EQUIVALENTS, END OF YEAR	12,891,079	11,331,058

BRANTFORD HYDRO INC.

SUMMARIZED BALANCE SHEET AS AT DECEMBER 31	2015 (\$)	2014 (\$)
ASSETS		
Current assets	1,780,950	1,787,104
Property, plant and equipment	3,422,318	3,210,850
Other assets	67,978	51,055
TOTAL ASSETS	5,271,246	5,049,009
LIABILITIES		
Current liabilities	513,398	412,941
Long-term debt	1,303,335	1,303,335
Other liabilities	203,343	195,511
TOTAL LIABILITIES	2,020,076	1,911,787
SHAREHOLDER'S EQUITY		
Capital stock	1,338,006	1,338,006
Accumulated Other Comprehensive Loss	(4,488)	(4,488)
Retained earnings (Deficit)	1,917,652	1,803,704
TOTAL EQUITY	3,251,170	3,137,222
TOTAL LIABILITIES & EQUITY	5,271,246	5,049,009

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2015 (\$)	2014 (\$)
REVENUE		
Fibre optics	2,161,081	2,168,797
Equipment rentals	712,927	699,071
Other revenue	20,947	26,678
	2,894,955	2,894,546
EXPENSES		
Operations, maintenance and administration	1,651,969	1,632,058
Other expenses	543,443	392,108
	2,195,412	2,024,166
Finance income and costs		
Finance income and costs	13,859	14,768
Finance costs	(81,458)	(81,458)
	(67,599)	(66,690)
Income before discontinued operations	631,944	803,690
Discontinued operations	24,280	16,476
Income before payments in lieu of corporate income taxes	656,224	820,166
Payments in lieu of corporate income taxes		
Current and Deferred income taxes	142,276	216,882
NET INCOME	513,948	603,284
Retained earnings - Beginning of year	1,803,704	1,600,420
Dividends	(400,000)	(400,000)
Retained earnings - End of year	1,917,652	1,803,704

SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31	2015 (\$)	2014 (\$)
OPERATING ACTIVITIES		
Net income	513,948	603,284
Changes to income not involving cash	544,152	584,212
Net change in non-cash working capital balances related to operations	(25,228)	(118,358)
Net cash from operating activities	1,032,872	1,069,138
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(565,978)	(462,430)
Fibre optics contributions from customers	30,570	15,659
Net cash used by investing activities	(565,978)	(462,430)
FINANCING ACTIVITIES		
Decrease in deferred revenues	(12,893)	(25,054)
Dividends	(400,000)	(400,000)
Net cash used by financing activities	(412,893)	(425,054)
CHANGE IN CASH AND CASH EQUIVALENTS	54,001	181,654
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,369,966	1,188,312
CASH AND CASH EQUIVALENTS, END OF YEAR	1,423,967	1,369,966

BRANTFORD GENERATION INC.

SUMMARIZED BALANCE SHEET AS AT DECEMBER 31	2015 (\$)	2014 (\$)
ASSETS		
Current assets	116,917	694,652
Property, plant and equipment	-	-
Prepays	416,573	325,548
TOTAL ASSETS	533,490	1,020,200
LIABILITIES		
Accounts Payables and Accrued Liabilities	1,016,259	503,007
IO debt	12,779,397	13,130,277
TOTAL LIABILITIES	13,795,656	13,633,284
CAPITAL DEFICIENCY		
Share capital	50,000	50,000
Deficit	(13,312,166)	(12,663,084)
TOTAL DEFICIENCY	(13,262,166)	(12,613,084)
TOTAL LIABILITIES AND DEFICIENCY	533,490	1,020,200

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31	2015 (\$)	2014 (\$)
REVENUE		
Generation revenue	1,052,324	1,278,882
Other revenue	12,312	12,308
	1,064,636	1,291,190
EXPENSES		
Operations, maintenance and administration	938,445	941,612
Other expenses	321,073	291,528
	1,259,518	1,233,140
Finance income and costs		
Finance income and costs	2,796	11,508
Finance costs	(170,358)	(198,223)
	(167,562)	(186,715)
Net loss before the undernoted	(362,444)	(128,665)
Impairment loss on property, plant and equipment	286,638	87,099
Net loss before payment in lieu of corporate income taxes	(649,082)	(215,764)
Payments in lieu of corporate income taxes	-	-
Net Loss and Comprehensive Loss	(649,082)	(215,764)
Deficit - Beginning of year	(12,663,084)	(12,447,320)
Deficit - End of year	(13,312,166)	(12,663,084)

SUMMARIZED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31	2015 (\$)	2014 (\$)
OPERATING ACTIVITIES		
Net loss and comprehensive loss	(649,082)	(215,764)
Impairment loss on property, plant and equipment	286,638	87,099
Change in non-cash working capital balances related to operations	136,835	(47,039)
Net cash from operating activities	(225,609)	(175,704)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment, net of SR&ED tax credit	(286,638)	(87,099)
Net cash used by investing activities	(286,638)	(87,099)
FINANCING ACTIVITIES		
Repayment of long-term debt	(227,857)	(299,797)
Due from affiliates - revolving line of credit advances	164,038	
Net cash used by financing activities	(63,819)	(299,797)
CHANGE IN CASH AND CASH EQUIVALENTS	(576,066)	(562,600)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	681,696	1,244,296
CASH AND CASH EQUIVALENTS, END OF YEAR	105,630	681,696

Brantford Energy Corp.



BRANTFORD POWER INC.

Mission

Brantford Power provides safe, reliable and competitively priced services to our customers while ensuring excellent shareholder returns.

Vision

Brantford Power is driven to be a leading electricity distribution company.

Values

- Safety
- Openness and integrity in all relationships
- Innovation and creativity
- A customer focus
- Employee engagement

BRANTFORD HYDRO INC.

Mission

As a growth company, Brantford Hydro Inc. delivers environmentally sustainable telecommunications and energy related services that enhance the competitiveness of businesses and the quality of life for customers.

Vision

The vision of Brantford Hydro Inc. is to become a leader in Brantford and surrounding areas by growing our business lines through strategic investments and partnerships enhancing the value of the company to both our customers and shareholder.

Values

- We value open and honest communication with internal and external stakeholders as we strive for success in a competitive business environment.
- We seek to ensure maximum customer satisfaction by delivering exceptional value through the provision of efficient and dependable products and services.
- We value our customers, business partners and other stakeholders and will treat them with fairness, respect and integrity as they are integral components to our success.
- We value innovation in services, thinking and actions.
- We anticipate and adapt quickly and effectively to the ever changing business landscape.

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