

Accessible  
Accountable  
Reliable

2018

BRANTFORD ENERGY CORPORATION  
**ANNUAL REPORT**



## ABOUT US

# OUR MISSION, VISION & VALUES



## 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



## 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 shareholders.

## 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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# MESSAGE FROM THE CHAIR AND CEO & PRESIDENT

Brantford Energy Corporation (BEC) prides itself on being **accessible**, **accountable** and **reliable**. How do we define these commitments?

We are easy to reach and are located within the community. We answer customer phone calls here, our trucks operate out of Brantford and many of our employees are proud to call the city home.

We take our obligations seriously. We own our responsibility and recognize that we are entrusted to operate and manage our businesses for the benefit of the community now and for generations to come.

You can count on us. We are dependable; from keeping the lights on and our telecommunications network up and running to managing our organizations in an efficient manner.

In 2018, BEC continued to provide easily **accessible** local service; remained **accountable** to our customers, employees and shareholder; and maintained a **reliable** system despite major weather-related events.

The key to our consistent performance over the last five years is our disciplined commitment to the five strategic priorities that were developed by our Board of Directors. At the heart of these priorities are operational excellence and customer service. Brantford Power prides itself on delivering a safe, efficient and **reliable** supply of electricity to over 40,000 customers in the City of Brantford, while offering superior local service. We benchmark our performance annually against all local distribution utilities in Ontario and we scored favourably again in 2018. The challenge to deliver on expectations and continually improve is increasingly complex; however it is one that we take on with enthusiasm.

In February 2018, the City of Brantford declared a state of emergency due to flooding along the Grand River. Brantford Power worked closely with the city and took proactive measures to make sure that we were **accessible** to our customers. We conducted door-to-door visits in the affected areas, extended our call centre hours, shared updates via social media and our website and swiftly restored power once it was declared safe to do so.

Overall, our system performed very well despite the major weather events of 2018 and we had minimal damage to our equipment; a testament to our extensive preventative maintenance and tree trimming programs. We are proud to report that Brantford Power customers experienced an average of less than one power interruption in 2018.

Our people are the face of Brantford Power and our success at being **accessible** is thanks to our employees – they are what sets us apart from other service providers. In 2018, Brantford Power achieved a major safety milestone: 500,000 hours without a lost-time injury. This accomplishment spans more than five years and is a testament to every employee's commitment to put safety first – no matter what. We also completed the highest level of ZeroQuest – Sustainability Level V.

We believe in being **accountable** to our employees and greatly value their input and feedback. That's why we conduct an annual Employee Engagement Survey. In 2018, Brantford Power implemented an Employee Wellness program as one of the initiatives resulting from the engagement process. The program's high uptake has confirmed that employees are enjoying individual coaching sessions, wellness education and team-based activities. As part of our succession planning, Brantford Power has been investing in new technical resources. In anticipation of the retirement activity that was projected for 2018 and is planned to continue in 2019, over the past five years Brantford Power has added six new members to our lines crew, which is comprised of Journeymen and Apprentices, representing over a 45% renewal rate.

We are always conscious of the need to strike a balance between investing in our infrastructure to ensure **reliable** service for a growing community, while mitigating the impact on customer rates. As part of being **accountable** to our customers under the oversight of our regulator, all rate adjustments must be approved by the Ontario Energy Board (OEB)

## Accessible Accountable Reliable



to allow us to recover the ongoing costs of providing safe, high-quality and **reliable** services, and to renew assets and modernize our system for the future. We have initiated a multi-year project to install automated switches to help maintain high system reliability in downtown Brantford as part of our long-term planning. In 2018, we invested \$6,206,000 in infrastructure and equipment. These investments ensure that the service we provide to the homes and businesses in our community remains at a level that a thriving city like Brantford deserves.

Brantford Power plays an active role in promoting safety in our community and is **accountable** for the safety of our employees, contractors and members of the public. We conduct a bi-annual Public Awareness of Electrical Safety Survey and the results are shared with the OEB and the public. Our ongoing partnership with the Children's Safety Village of Brant ensures that school-aged children learn life-saving safety tips. For the third year in a row we hosted a free Powerline Safety Seminar to share important information with local contractors and first responders about working safely near powerlines.

Brantford Power uses several methods to connect with our customers to support our priority of providing superior customer service. Every month we reach out to 50 customers who have done business with us and ask them to complete a short survey. This consistent and widespread form of outreach goes above and beyond what is required by the OEB. We are also in constant contact with our customers at community events, through social media and at seminars that we host to assist our large customers, such as the 2018 launch of an energy management portal for commercial and industrial customers.

One of the largest strategic priorities in the history of Brantford Power is the evaluation and assessment of an investment in a consolidated facility. Our goal for the relocation is to continue to serve the Brantford community at the superior level it is accustomed to for generations to come, as well as to minimize the customer bill impact. In 2018, we continued our customer outreach on this initiative in the form of focus group sessions and also issued an RFP for construction of a new facility on a parcel of land that we purchased in 2017. Following the RFP, Brantford Power elected to reassess all alternatives, including an existing location that warrants further due diligence.

As well as providing our customers with modern technology, we continue to invest in replacing our legacy systems. We initiated and made significant progress on a multi-year project to implement a new customer information system in 2019 and continued to enhance the financial information system that we launched the previous year.

Brantford Power continues to collaborate with industry partners to help us improve customer service and reduce operating, maintenance and administration costs. We have realized efficiencies thanks to our membership in the GridSmartCity Cooperative and we continue to gain valuable insight and information as a member of the Electricity Distributors Association.

Both divisions of Brantford Hydro – Enersure Home Comfort and NetOptiks – had an impressive year in 2018. Enersure Home Comfort surpassed its installation targets, installing 253 new units. The company prides itself on utilizing local services and being easily **accessible** to customers and contractors by connecting with them in person at community events and through a strong presence on social media.

NetOptiks continues to provide Brantford with a local network that delivers fast, **reliable** services that set it apart from other carriers. NetOptiks experienced a significant uptake in the small and medium business space in 2018 with 74 new connections as a result of adding new resources and additional services to support BEC's strategic priority to pursue growth of telecom business. In August NetOptiks completed a strategic network build to the Brantford Municipal Airport and Business Park. This investment allows businesses in the area to benefit from a high-speed, **reliable** network and fuels economic development.

An important part of being **accountable** and **reliable** is maintaining and managing a financially healthy business. BEC's balanced view of being **accountable** to customers, the shareholder and employees, linked with key performance indicators, allows us to consistently deliver a benefit to all stakeholders, including an average of over \$2.4 million annually in dividend & interest income to the City of Brantford over the last five years.

The events of 2018 once again confirmed that the key to our success is the ongoing dedication and determination of BEC employees. Teamwork, coupled with knowledge, skills and experience, allowed us to satisfy our day-to-day operational demands while laying the groundwork for major initiatives that will allow us to remain **accessible, accountable and reliable** in 2019 and beyond.

“  
THE KEY TO OUR  
SUCCESS IS THE  
ONGOING DEDICATION  
AND DETERMINATION  
OF BEC EMPLOYEES.  
”



Scott Saint  
Chair, Board of Directors

Paul Kwasnik  
CEO & President

# KEY STRATEGIC PRIORITIES

BEC operates as a holding company for two businesses – Brantford Power Inc. and Brantford Hydro Inc.  
Its sole shareholder is the Corporation of the City of Brantford.

- 1 A continued focus on providing operational excellence and customer service within Brantford Power.
- 2 To be active in the changing electricity distribution sector and pursue opportunities for collaboration or new relationships that may add value to the LDC business.
- 3 To evaluate and assess investment in a Brantford Power common operations facility.
- 4 A continued focus on operational excellence and customer service within Brantford Hydro.
- 5 Pursue growth of telecom business within and outside of Brantford, both organically through network expansion and through mergers, acquisitions and/or partnerships.

## BOARD OF DIRECTORS

Our Board of Directors is comprised of industry experts and local business and community leaders who dedicate their experience and expertise to the governance and strategic direction of the businesses.



### Brantford Energy Corporation

Scott Saint, Chair  
Craig Mann  
Councillor Greg Martin  
Gerry Smits  
Councillor John Utley  
Peter Vicano

### Brantford Power Inc.

Scott Saint, Chair  
Craig Mann  
Councillor Greg Martin  
Neil Sandford  
Terry Smith  
Gerry Smits  
Ron Stewart  
Councillor John Utley  
Peter Vicano

### Brantford Hydro Inc.

Craig Mann, Chair  
Councillor Greg Martin  
Scott Saint  
Gerry Smits  
Councillor John Utley  
Peter Vicano

### Officers

Paul Kwasnik  
CEO & President

Brian D'Amboise  
CFO, Vice President, Corporate Services

### Executive Team

Paul Kwasnik  
CEO & President

Brian D'Amboise  
CFO & Vice President, Corporate Services

Sinisa Grkovic  
Vice President, Engineering & Operations

### Executive Team

Paul Kwasnik  
CEO & President

Brian D'Amboise  
CFO & Vice President, Corporate Services

James Nagle  
COO



# BEC BY THE NUMBERS



DELIVERED AN  
AVERAGE OF OVER

**\$2.4**

**MILLION**

ANNUALLY TO THE CITY OF BRANTFORD  
OVER THE LAST 5 YEARS



**95%**

OF CUSTOMERS REPORTED OVERALL  
**CUSTOMER SERVICE  
SATISFACTION**



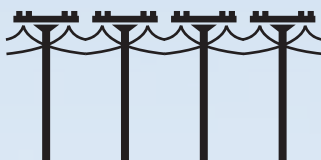
**INVESTED**

**\$6,206,000**

IN INFRASTRUCTURE AND EQUIPMENT

**510 km**

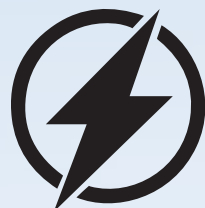
OF POWERLINES MAINTAINED



**MORE THAN  
500,000**



WITHOUT A LOST-TIME INJURY



HELPED CUSTOMERS SAVE  
**6,869,000**  
KILOWATT HOURS  
OF ELECTRICITY  
THROUGH CONSERVATION PROGRAMS



ENOUGH TO POWER



**715**  
AVERAGE HOUSEHOLDS  
FOR A FULL YEAR

ON AVERAGE, CUSTOMERS  
EXPERIENCED FEWER THAN

**<1 POWER  
INTERRUPTION**



**NetOptiks**

MAINTAINS  
**325 km**

OF FIBRE-OPTIC CABLE

**74 NEW CONNECTIONS**



**enersure**  
Home Comfort

**253**

**NEW UNITS  
INSTALLED**

**4,530**

**RENTAL UNITS**

## HELPING TO MAKE SERVICES AND ASSISTANCE ACCESSIBLE IN OUR COMMUNITY

### Long-time Friends of Participation Support Services

Every year Brantford Power comes together to celebrate the life of a long-time fellow employee and to raise funds for Participation Support Services. The 20th Annual Dan Ritchie BBQ and Raffle, hosted by a team of employee volunteers, raised over \$5,100 for Participation Support Services. The proceeds went towards the purchase of a new mini-lift van to transport clients to appointments and events. The BBQ has raised over \$76,000 to date.



### Supporting the Tradition of the JCI Santa Claus Parade

Brantford Power was proud to return as the top sponsor of the 2018 JCI Brantford Santa Claus Parade. We were also thrilled to donate a float entry to the Children's Safety Village of Brant so that they could join in the fun. An entourage of 23 employees and family members walked alongside our brightly lit Brantford Power truck and handed out candy canes to excited youngsters who lined the streets to watch the parade.

### Lending a hand at the Brantford Food Bank

Brantford Power is a long-time supporter of the Brantford Food Bank. Our employees regularly rally together to donate food to help stock the shelves. In 2018 we expanded our partnership by visiting the food bank to assist with sorting and packing donations to prepare food for families in need. A team of 15 volunteers had the opportunity to see firsthand the need for the Brantford Food Bank and the positive impact that it has on the community.



### Awarding Post-Secondary Achievements

Brantford Power is pleased to sponsor two C.D. Wilson Awards for students attending the Brantford Campus of Wilfrid Laurier University. Brantford Power CEO & President, Paul Kwasnik, visited Laurier to congratulate 2017/18 C.D. Wilson Award Winners Kayla DeMan and Brayden Nunn.

### Running for the Rotary Club

A group of over 40 employees and family members once again laced up their sneakers to participate in the 36<sup>th</sup> Annual Rotary Club of Brantford Classic Run. We thoroughly enjoy supporting this fun event that has allowed the Rotary Club of Brantford to raise over \$2,200,000 over the last 35 years for local special needs children and community projects such as the Lansdowne Children's Centre and the Boys & Girls Club of Brantford.





# TAKING ACTION TO ENSURE WE ARE ACCOUNTABLE FOR SAFETY AND EFFICIENCY

## Spreading Safety Messages to People of All Ages

Safety is the top priority for Brantford Power. We believe that when it comes to safety, you are never too young to learn life-saving tips. Through our sponsorship of the Children's Safety Village of Brant we help instill valuable safety messages in thousands of elementary school students every year. We proudly support the village as the title sponsor of both of their main events: The Big Bike and Jeep Rodeo and Halloween in the Village.

In October Brantford Power participated in the Brantford Fire Department's Fire Prevention Week Open House. We enjoyed meeting families in our community and providing electrical safety colouring books and letting youngsters try on hard hats, safety glasses and insulated rubber gloves that keep our employees safe while working on the high voltage equipment that powers homes and business in Brantford.



## Measuring Our Success at Raising Safety Awareness

We conduct a bi-annual Public Awareness of Electrical Safety Survey to measure the level of awareness of key electrical safety precautions among the public within our territory. Brantford Power's 2018 public awareness index score was 84%, a 3% increase from our 2016 score.

For the third year in a row we hosted a free Powerline Safety Seminar to share important information with local contractors and first responders about working safely near powerlines. This free event has grown in attendance each year and is held in March before the start of the busy construction season.



## Celebrating a Major Safety Milestone

In 2018, Brantford Power achieved a major safety milestone: 500,000 hours without a lost-time injury. This accomplishment spans more than five years and is a testament to every employee's commitment to put safety first – no matter what. We received an award from the Infrastructure Health & Safety Association in recognition of this important achievement. We also completed the highest level of ZeroQuest – Sustainability Level V.

## Harnessing the Collective Power of the GridSmartCity Cooperative

Brantford Power is a proud member of the GridSmartCity Cooperative which consists of 14 like-minded local electricity distribution companies. Members work collectively on mutual priorities and share resources, insights and systems to realize cost savings that will benefit our customers. Achievements in 2018 include significant supply chain savings from collective buying power, advancements in cyber security, sharing of communication practices and preferred vendor pricing, and working with Mohawk College to develop a leadership program that caters to cooperative members.



# HONOURING OUR COMMITMENT TO PROVIDE RELIABLE SERVICE AND SUPPORT

“

THE SUPPORT OF  
BRANTFORD POWER  
DURING THE STATE OF  
EMERGENCY THAT OUR CITY  
ENDURED IN FEBRUARY  
2018 REINFORCED THE  
VALUE OF HAVING A  
RELIABLE COMMUNITY  
PARTNER THAT WE CAN  
COUNT ON TO WORK WITH  
US SIDE-BY-SIDE WHEN  
IT COUNTS.

SHANE CASKANETTE  
Brantford Fire Chief

”

## Keeping the lights on through storms and a state of emergency

Brantford Power prides itself on providing customers with a safe and reliable supply of electricity. Our preventative maintenance and tree trimming programs contribute to our excellent reliability record – on average customers experienced 41 minutes of power interruptions in 2018. But one thing that we cannot control is the weather. Our system performed very well despite being put to the test several times by severe weather conditions.

In February 2018, the City of Brantford declared a state of emergency due to flooding along the Grand River. Brantford Power worked side-by-side with city staff and took additional measures to ensure that customers could rely on us for information and updates. We conducted door-to-door visits in the affected areas, extended our call centre hours, shared updates via social media and our website and swiftly restored power once it was declared safe to do so.

On May 4, 2018, Brantford Power customers experienced outages related to two distinct events. The first was a loss of electricity supply from Hydro One that affected 16,000 customers. By rerouting the supply of electricity we were able to restore power to all 16,000 customers in less than three hours. Shortly after that a windstorm hit Brantford that caused outages across the city. Crews and call centre personnel worked late into the night to narrow outage locations, remove trees on lines and repair equipment in order to safely restore power as quickly as possible. We were able to apply lessons learned from the February state of emergency in order to respond even more efficiently in this storm situation.





### **Modernizing our grid and connecting new customers**

We initiated a multi-year project in 2018 to install automated switches to help maintain high system reliability in downtown Brantford as part of our long-term planning. Also, we invested \$6,206,000 in infrastructure and equipment. These investments increase the level of network intelligence and ensure that the service we provide to the homes and businesses in our community remains at a high level as the city continues to grow and develop. Brantford Power connected 99.52% of new residential/small business services on time. One of the many new customers we connected was the Laurier Brantford YMCA on Water Street.

### **Helping our large customers manage their energy consumption**

We launched an energy management portal in November 2018 to help our commercial and industrial interval customers better manage their energy usage, reveal energy waste and control costs across their facilities. The portal was launched at a customer seminar and was very positively received – over 80% of customers agree that the tool will help them better manage energy and control costs.



### **Fostering a Culture of Energy Conservation**

As of the end of 2018, our Conservation and Demand Management team has delivered 82% of Brantford Power's six-year electricity reduction target (2015-2020). These savings have been achieved through the commitment of local residential, business and industrial customers to conservation initiatives. Brantford Power will continue to support a number of customer initiatives through 2019 and 2020, including a cogeneration facility at the Brantford General Hospital.





Enersure Home Comfort is the affiliate retail company of Brantford Hydro Inc. We rent ENERGY STAR qualified water softeners, water heaters, furnaces, and central air conditioning systems. Our current rental fleet consists of 4,530 units of combined gas/electric/tankless water heaters, water softeners, furnaces and air conditioners.

As a local company using local resources to serve our customers, we are committed to making Brantford a great place to live. We are also proud sponsors of community events, including the Rotary's Annual Spring Fish Fry, the Brant Community Health Care Foundation's 12 Days of Giving, the Community Awareness Publication for Remembrance Day 2018, and the Carols and Cookies Community Book to support local churches in Brantford/Brant.





#### Another Year of Positive Growth

Enersure Home Comfort surpassed its installation targets for the year, installing 253 new units and reaching 164% of budgeted installations for 2018. Being local and in the community matters to us, and as a result Enersure and its partners and contractors attend as many local events as possible. Whether it's the Brantford Home Exhibition or the Ancaster Lifestyle Fall Home Show, you will see us there in support of the communities and people we serve. Our social marketing programs for 2018 gained positive results and outreach to new and existing customers on the products and services we offer. Like us on Facebook or see us on Instagram for our latest news, information and events.

#### Delivering the Best Solutions for Your Home

Technology, efficiency and cost savings are the key to delivering the very best in home comfort products and services to our customers. In 2018, Enersure enabled a program to install a new technology called High Efficiency Power Direct Vent or PDV water heaters. This new technology allows for seamless efficient operation in a smaller area to allow for a reduced overall footprint in the home while still producing all the hot water required. Enersure's tankless water heater product line has also gained popularity for its very small footprint and highly energy-efficient "hot water on demand" system.

#### Rental Offerings

	<b>Air Conditioners</b>
	<b>Furnaces</b>
	<b>Water Heaters</b>
	<b>Water Softeners</b>





NetOptiks is the number-one choice for Brantford and Brant-area businesses that demand innovative and custom solutions for data and voice services. Our local network delivers fast, reliable services that set us apart from other carriers. We offer our customers high-speed, customizable, reliable and unlimited dedicated internet, voice, managed and professional services to meet the unique needs of each business.

#### **Building for the Future**

In 2018, NetOptiks set a course for additional network expansion outside of its existing footprint and in August completed a strategic network build to the Brantford Municipal Airport and Business Park. These strategic investments led to increased revenues and aided businesses in the area struggling with virtually no high-speed broadband options. The customer uptake proved that reliable, ultra-high speed optical services are virtually essential to operating any business on a day-to-day basis. One of our satisfied customers that recently located to the Brantford Municipal Airport and Business Park is Conestoga College. NetOptiks added a total of 20 additional kilometres of fibre-optic cable to its network to fortify our capacity for existing and new customers both inside and outside of the existing footprint.

NetOptiks was also proud to test and launch its new Voice over IP platform with its partner IPFINITY, a telecommunications services provider serving some of the largest Canadian corporations. This new service adds seamless voice services over the existing fibre-optic connection, allowing businesses to easily migrate to a new digital voice service to enhance productivity and reduce costs.

#### **A Busy Year for Customer Connections**

NetOptiks experienced a significant uptake in the small and medium business space in 2018 as a result of new resources and additional services to cater to this segment. Customer connections grew by 222% year-over-year, with 74 new connections as focused sales efforts in this new customer segment gained significant momentum and made 2018 one of the busiest years in the company's history.

The main drivers of connectivity to the NetOptiks fibre-optic network included businesses entering into the Cloud, point of sale, backup and disaster recovery technologies that require much higher bandwidth capacity than traditional telecommunications services. In 2018, NetOptiks customers experienced no outages, exceeding our 99.999% uptime service level, which is a testament to our advanced and recently refreshed network architecture.

#### **A Network of New Possibilities**

NetOptiks completed the vital upgrades to its core network in 2018 to allow for increased reliability, improved network performance and an overall enhanced customer experience. The new core electronics adds significant capabilities to the network to allow unlimited possibilities for the end customer, including enhanced security, bandwidth optimization, simultaneous streaming of voice and data with complete quality of service (QoS), redundant self-healing architecture and failover, and compatibility with all software defined Wide Area Networks (WANs).

“  
TODAY'S STUDENTS ARE  
EXPERIENCING AN  
INCREASING DEMAND FOR  
ONLINE SERVICES AS PART  
OF THEIR CORE ACADEMIC  
STUDIES. NETOPTIKS HAS  
BEEN INSTRUMENTAL IN  
PROVIDING FIBRE SERVICES  
TO THE BRANTFORD AIRPORT  
TRAINING FACILITY ALONG  
WITH MEETING TIGHT  
ACADEMIC DEADLINES.

**MICHAEL ABRAHAM**

Director, Information Technology Services  
Conestoga College Institute of Technology and  
Advanced Learning



# BEC 2018 FINANCIAL STATEMENTS

## Brantford Energy Corporation

The Brantford Energy Group of Companies recorded a \$2.46 million net income in 2018 which exceeded budget expectations for the year. This net income reflects the 2018 operating results from Brantford Power Inc. and Brantford Hydro Inc.

## Brantford Power Inc.

Brantford Power Inc. reported a 2018 net income of \$1.96 million which exceeded budget expectations for the year. The resulting higher than expected net income is largely due to the disciplined management of operations and maintenance expenses and the receipt of \$364,000 in Conservation and Demand Management performance incentives. As a result of this favorable performance, Brantford Power Inc. continues to reflect the strong financial position necessary to make further investments to improve service and the reliability of the electricity distribution system.

## Brantford Hydro Inc.

Brantford Hydro Inc. reported a 2018 net income of \$494,000, which exceeded budget expectations for the year. The 2018 net income decreased by 14.6% or \$84,000 from the \$578,000 reported in 2017, largely due to the company's investment in new sales and technical resources in 2018. The better than planned net income is attributable to reduced business development costs for the year. As a result of this favorable performance, Brantford Hydro Inc. continues to reflect the strong financial position necessary for the company to proceed with its future growth plans.

Management is responsible for the preparation of a summary of the audited (consolidated) financial statements.

The following summary financial statements are based upon the audited consolidated financial statements upon which our auditors (KPMG LLP) expressed an unmodified opinion dated April 24, 2019.

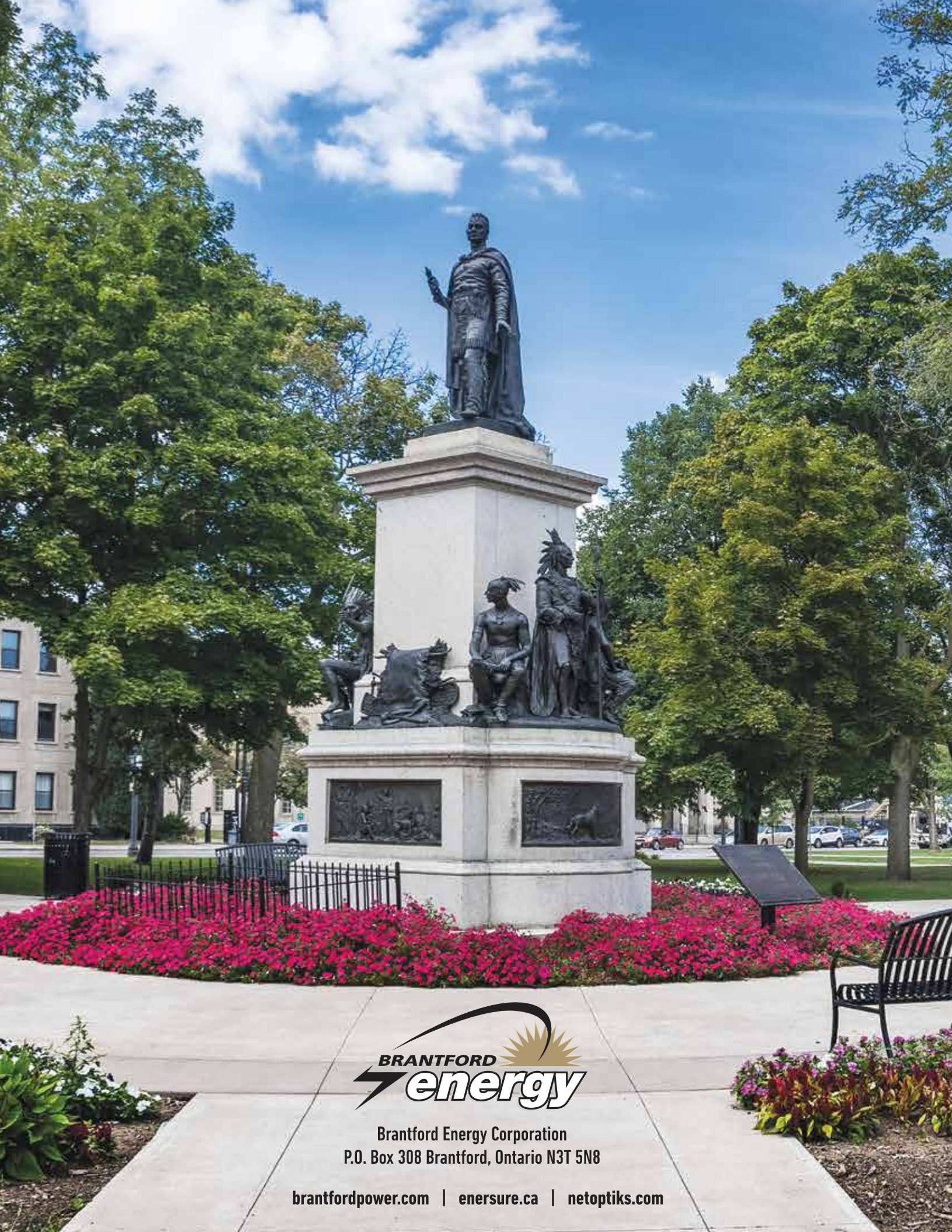
The summary (consolidated) financial statements do not contain all disclosures required by International Financial Reporting Standards applied in the preparation of the audited (consolidated) financial statements of the Companies. Reading the summary (consolidated) financial statements, therefore, is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

SUMMARIZED CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31	2018 (\$)	2017 (\$)
<b>ASSETS</b>		
Current assets	40,797,492	40,633,881
Property, plant and equipment	75,031,402	72,969,084
Other assets	3,005,403	2,558,804
<b>TOTAL ASSETS</b>	<b>118,834,297</b>	<b>116,161,769</b>
Regulatory assets	3,572,534	3,420,314
<b>TOTAL ASSETS and Regulatory Balances</b>	<b>122,406,831</b>	<b>119,582,083</b>
<b>LIABILITIES</b>		
Current liabilities	19,608,204	19,918,275
Long-term debt	38,979,394	40,109,032
Other liabilities	7,566,803	7,082,611
<b>TOTAL LIABILITIES</b>	<b>66,154,401</b>	<b>67,109,918</b>
<b>SHAREHOLDER'S EQUITY</b>		
Capital stock	23,895,512	23,895,512
Retained earnings	25,529,997	24,222,368
Accumulated other comprehensive income	893,022	679,217
<b>TOTAL EQUITY</b>	<b>50,318,531</b>	<b>48,797,097</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>116,472,932</b>	<b>115,907,015</b>
Regulatory liabilities	5,933,899	3,675,068
<b>TOTAL LIABILITIES, EQUITY AND REGULATORY BALANCES</b>	<b>122,406,831</b>	<b>119,582,083</b>



<b>SUMMARIZED CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31</b>	<b>2018 (\$)</b>	<b>2017 (\$)</b>
<b>REVENUE</b>		
Sale of energy	109,916,976	110,222,544
Electricity distribution and service revenue	17,437,596	17,142,791
Fibre optic and retail service revenue	3,166,768	2,929,171
IESO conservation programs	1,690,308	1,376,804
Other revenue	347,736	500,370
	<b>132,559,384</b>	<b>132,171,680</b>
<b>EXPENSES</b>		
Cost of power purchased	107,788,878	108,827,919
Operations, maintenance and administration	13,036,400	11,855,165
IESO conservation programs	1,325,866	1,320,510
Other expenses	3,774,690	3,717,392
	<b>125,925,834</b>	<b>125,720,986</b>
<b>Income from operating expenses</b>	<b>6,633,550</b>	<b>6,450,694</b>
<b>Finance income and costs</b>		
Finance Income	569,382	456,154
Finance Costs	(1,799,794)	(1,786,922)
<b>Income before income taxes and regulatory movement</b>	<b>5,403,138</b>	<b>5,119,926</b>
Income tax expense	838,898	1,159,154
<b>Net income before regulatory movement</b>	<b>4,564,240</b>	<b>3,960,772</b>
Movement in regulatory balances, net of tax	(2,106,611)	(308,999)
<b>Net income for the year and net movement in regulatory balances</b>	<b>2,457,629</b>	<b>3,651,773</b>
Retained earnings - Beginning of year	24,222,368	21,720,595
Dividends	(1,150,000)	(1,150,000)
<b>Retained earnings - End of year</b>	<b>25,529,997</b>	<b>24,222,368</b>
<b>SUMMARIZED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31</b>	<b>2018 (\$)</b>	<b>2017 (\$)</b>
<b>OPERATING ACTIVITIES</b>		
Net income	2,457,629	3,651,773
Changes to income not involving cash	7,580,233	5,990,374
Net change in non-cash working capital balances related to operations	(482,205)	4,865,803
	<b>9,555,657</b>	<b>14,507,950</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(7,277,965)	(7,332,612)
Proceeds from disposal of property, plant and equipment	32,150	94,861
	<b>(7,245,815)</b>	<b>(7,237,751)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(1,082,608)	(1,034,099)
Dividends paid	(1,150,000)	(1,150,000)
	<b>(2,232,608)</b>	<b>(2,184,099)</b>
<b>Increase in cash and cash equivalents</b>	<b>77,234</b>	<b>5,086,100</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>17,412,710</b>	<b>12,326,610</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>17,489,944</b>	<b>17,412,710</b>





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