



EXHIBIT 4 – OPERATING EXPENSES

2020 Cost of Service

Hydro 2000 Inc.
EB-2020-0041

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4.1 OVERVIEW

4.1.1 OVERVIEW

The operating costs found in this exhibit represent expenditures that are required to maintain and operate Hydro 2000's distribution system assets at the targeted levels of performance, to meet customer expectations, ensure public and employee safety and provide quality service. These operating costs are necessary to comply with the Distribution System Code, environmental requirements, and government direction. OM&A expenses consist of, but are not limited to: the required expenditures necessary to maintain and operate Hydro 2000's distribution system assets; the costs associated with metering, billing, and collecting from Hydro 2000's customers; the costs associated with ensuring the safety of all stakeholders; and costs to maintain distribution service quality and reliability.

While preparing its 2019 Bridge and 2020 Test budgets, Hydro 2000 took into consideration the bill impacts associated with these OM&A costs. For the several iterations of the budget, the bill impacts were analyzed and the OM&A budget modified to minimize bill impacts to the customers as much as possible. Hydro 2000's Board of Directors has been heavily involved in the determining of the final 2020 proposed budget and its customer engagement activities. In fact, the Board of Directors has met on a frequent basis to review, revise and ultimately approve the 2020 OM&A budget.

Hydro 2000's 2020 Test Year operating costs are projected to be \$507,699, which represents an increase of \$106,133 from its 2012 Cost of Service or 24.6%. Details are presented in Table 1 - Total OM&A below. Table 2 - Total OM&A shows historical and budgeted OM&A costs by major function.

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Table 1 - Total OM&A

	2012 Board Approved	2020	Diff
<i>Operations</i>	\$12,775	\$10,000	-\$2,775
<i>Maintenance</i>	\$2,050	\$41,146	\$39,096
<i>Billing and Collecting</i>	\$127,734	\$160,231	\$32,497
<i>Community Relations</i>	\$717	\$0	-\$717
<i>Administrative and General</i>	\$258,290	\$296,322	\$38,032
Total	\$401,566	\$507,699	\$98,813

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Table 2 - Total OM&A

	Board Approved	2012	2013	2014	2015
<i>Operations</i>	\$12,775	\$3,936	\$17,166	\$9,576	\$15,920
<i>Maintenance</i>	\$2,050	\$65,534	\$13,761	\$300	\$6,015
Subtotal	\$14,825	\$69,469	\$30,927	\$9,876	\$21,935
<i>%Change (year over year)</i>		368.6%	-55.5%	-68.1%	122.1%
<i>%Change (Test Year vs Last Rebasing Year - Actual)</i>					
<i>Billing and Collecting</i>	\$127,734	\$142,613	\$131,905	\$151,230	\$152,424
<i>Community Relations</i>	\$717	\$0	\$0	\$0	\$0
<i>Administrative and General+LEAP</i>	\$258,290	\$213,346	\$249,026	\$224,287	\$260,933
Subtotal	\$386,741	\$355,958	\$380,931	\$375,517	\$413,357
<i>%Change (year over year)</i>		-8.0%	7.0%	-1.4%	10.1%
<i>%Change (Test Year vs Last Rebasing Year - Actual)</i>					
Total	\$401,566	\$425,427	\$411,858	\$385,393	\$435,292
<i>%Change (year over year)</i>		5.9%	-3.2%	-6.4%	12.9%

4

	2016	2017	2018	2019	2020
<i>Operations</i>	\$16,705	\$13,384	\$15,998	\$15,959	\$10,000
<i>Maintenance</i>	\$28,132	\$42,888	\$28,940	\$28,068	\$41,146
Subtotal	\$44,837	\$56,272	\$44,938	\$44,027	\$51,146
<i>%Change (year over year)</i>	104.4%	25.5%	-20.1%	-2.0%	16.2%
<i>%Change (Test Year vs Last Rebasing Year - Actual)</i>			203.1%	197.0%	245.0%
<i>Billing and Collecting</i>	\$168,966	\$175,254	\$164,389	\$165,283	\$160,231
<i>Community Relations</i>	\$0	\$411	\$0	\$0	\$0
<i>Administrative and General+LEAP</i>	\$224,449	\$249,024	\$244,280	\$298,896	\$296,322
Subtotal	\$393,415	\$424,689	\$408,668	\$464,178	\$456,553
<i>%Change (year over year)</i>	-4.8%	7.9%	-3.8%	13.6%	-1.6%

<i>%Change (Test Year vs Last Rebasing Year - Actual)</i>			5.7%	20.0%	18.1%
Total	\$438,252	\$480,961	\$453,606	\$508,206	\$507,699
<i>%Change (year over year)</i>	0.7%	9.7%	-5.7%	12.0%	-0.1%

1

2 The total cost increased from 2012 to 2018 by \$54,093 (last audited historical). The overall costs

3 have fluctuated between 2012 to 2018. The fluctuation can be attributed to two major drivers

4 that impacted both the utility's operational stability and overall costs. The major contributor to

5 the instability was the change in management in 2016 and again in 2018. Managerial instability

6 can affect the core of any business creating instability in decision-making process and the

7 strategic financial decisions, continuing strategies and plans as well as regulatory compliance.

8 Billing and Collecting shows an increase from the last board approved Cost of Service. The

9 increase can be attributed to staffing. Regular costs related to billing are also subject to

10 inflationary increases such as services, paper, stamps, and salaries. ¹

11 Hydro 2000 is of the opinion that there is a minimum cost required to operate any utility and as

12 the second smallest utility in Ontario, its proposed OM&A reflects the minimum required costs.

13 That said, Hydro 2000 will continue to seek savings and efficiencies to minimize costs increases

14 for its customers going forward. The proposed OM&A expenses for 2019 -2020 are in line with

15 what Hydro 2000 expects regular yearly OM&A costs will be going forward.

16 Specifics regarding year over year variances are presented in Section 4.2.2 of this Exhibit, and a

17 comparison to an inflationary increase is presented at Section 4.3.2.

¹ MFR - Brief explanation of test year OM&A levels, cost drivers, significant changes, trends, inflation rate assumed, business environment changes

1 Inflation Rate and Assumptions

2 The CPI rate is a measure that can fluctuate significantly from quarter to quarter. Using the most
3 recent rate does not always reflect the historical trends nor predicted trends; therefore Hydro
4 2000 typically uses the flat rate of 2% of inflation for budgeting purposes.

5 Other Assumptions

6 All employees, which are non-unionized, are adjusted on a yearly basis to reflect the inflation
7 factor (ref: Section 4.2.3). ²(ref: Section 4.4). The utility does not expect any significant changes in
8 its business environment (ref: Business Plan) and expects no material growth going forward (ref:
9 Exhibit 3). The utility does not expect to hire any additional employees in the 2020 -2024 period
10 and proposes to keep the same corporate structure going forward.

11 Hydro 2000 notes that it does not capitalize administrative burdens. Therefore, there were no
12 increases in OM&A as a result of the MIFRS policy. Appendix 2-D Overhead Expenses is not
13 applicable in Hydro 2000's case.^{3 4}

14 OEB Appendix 2-JA below shows a summary of Hydro 2000 Operations, Maintenance and
15 Administrative ("OM&A") costs as required by the OEB's filing guidelines.

16 **Table 3 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses⁵**

	Board Approved	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operations	\$12,775	\$3,936	\$17,166	\$9,576	\$15,920	\$16,705	\$13,384	\$15,998	\$15,959	\$10,000
Maintenance	\$2,050	\$65,534	\$13,761	\$300	\$6,015	\$28,132	\$42,888	\$28,940	\$28,068	\$41,146
Subtotal	\$14,825	\$69,469	\$30,927	\$9,876	\$21,935	\$44,837	\$56,272	\$44,938	\$44,027	\$51,146
%Change (year over year)		368.6%	-55.5%	-68.1%	122.1%	104.4%	25.5%	-20.1%	-2.0%	16.2%
%Change (Test Year vs								203.1%	197.0%	245.0%

² MFR - Identification of all shared services among affiliates and parent company; identification of the extent to which the applicant is a "virtual utility".

³ MFR - Identification of change in OM&A in test year in relation to change in capitalized overhead.

⁴ MFR - OM&A variance analysis for test year with respect to bridge and historical years; Appendix 2-D

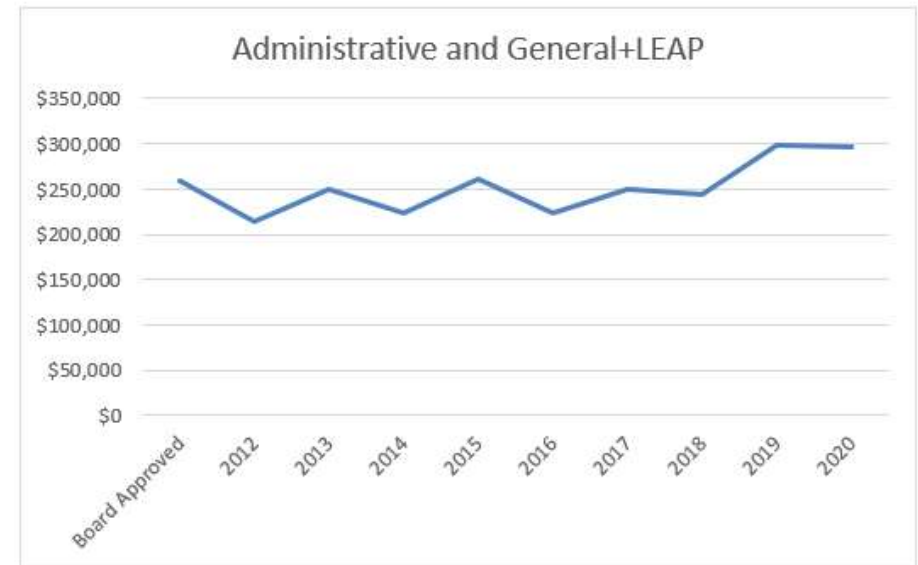
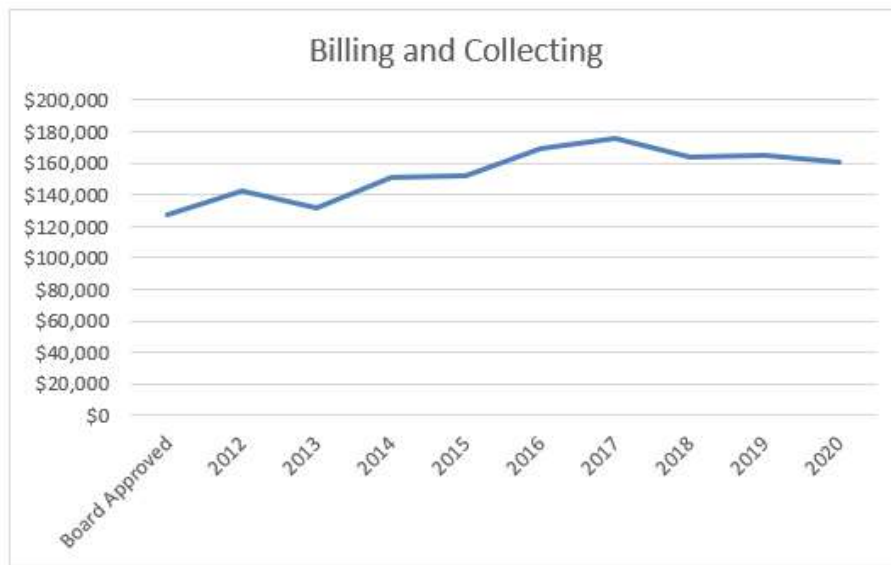
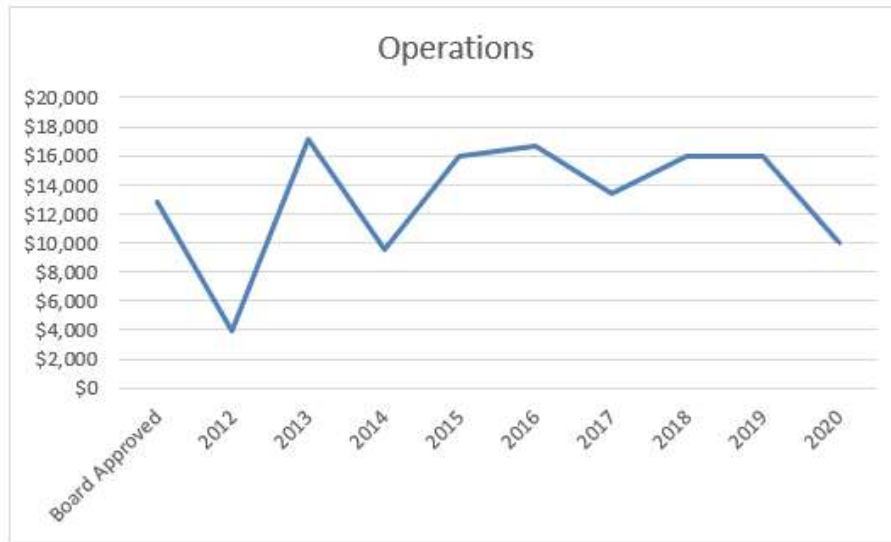
⁵ MFR - Summary of recoverable OM&A expenses; Appendix 2-JA

Last Rebasing Year - Actual)										
Billing and Collecting	\$127,734	\$142,613	\$131,905	\$151,230	\$152,424	\$168,966	\$175,254	\$164,389	\$165,283	\$160,231
Community Relations	\$717	\$0	\$0	\$0	\$0	\$0	\$411	\$0	\$0	\$0
Administrative and General+LEAP	\$258,290	\$213,346	\$249,026	\$224,287	\$260,933	\$224,449	\$249,024	\$244,280	\$298,896	\$296,322
Subtotal	\$386,741	\$355,958	\$380,931	\$375,517	\$413,357	\$393,415	\$424,689	\$408,668	\$464,178	\$456,553
%Change (year over year)		-8.0%	7.0%	-1.4%	10.1%	-4.8%	7.9%	-3.8%	13.6%	-1.6%
%Change (Test Year vs Last Rebasing Year - Actual)								5.7%	20.0%	18.1%
Total	\$401,566	\$425,427	\$411,858	\$385,393	\$435,292	\$438,252	\$480,961	\$453,606	\$508,206	\$507,699
%Change (year over year)		5.9%	-3.2%	-6.4%	12.9%	0.7%	9.7%	-5.7%	12.0%	-0.1%

Table 4 – Year over Year Variances

	Board Approved	2012 over BA	2013 over 2012	2014 over 2013	2015 over 2014	2016 over 2015	2017 over 2016	2018 over 2017	2019 over 2018	2020 Over 2019
<i>Operations</i>	\$12,775	-\$8,839	\$13,230	-\$7,589	\$6,344	\$785	-\$3,321	\$2,614	-\$39	-\$5,959
<i>Maintenance</i>	\$2,050	\$63,484	-\$51,772	-\$13,461	\$5,715	\$22,117	\$14,756	-\$13,949	-\$871	\$13,078
<i>Billing and Collecting</i>	\$127,734	\$14,879	-\$10,708	\$19,325	\$1,194	\$16,542	\$6,288	-\$10,865	\$894	-\$5,052
<i>Community Relations</i>	\$717	-\$717	\$0	\$0	\$0	\$0	\$411	-\$411	\$0	\$0
<i>Administrative and General</i>	\$258,290	-\$44,944	\$35,681	-\$24,739	\$36,646	-\$36,484	\$24,576	-\$4,745	\$54,616	-\$2,574
Total	\$401,566	\$23,861	-\$13,570	-\$26,464	\$49,899	\$2,960	\$42,709	-\$27,355	\$54,600	-\$507
<i>\$ Change (year over year</i>	\$12,775	-\$8,839	\$13,230	-\$7,589	\$6,344	\$785	-\$3,321	\$2,614	-\$39	-\$5,959

*Hydro 2000 notes that it has modified appendix 2-JA so that it would fit on this page.



4.2 SUMMARY & COST DRIVER TABLES

4.2.1 SUMMARY OF COST DRIVERS

In accordance with the OEB's minimum filing requirements, OEB Appendix 2-JB, OM&A Cost Drivers, presented below outlines the key drivers of OM&A costs over the period of 2012 to 2019. An overview of the reasons behind the costs drivers is presented following the table, and detailed explanations are presented in Section 4.2.2-Year over Year Variance Analysis.

Accounting Corrections.

In preparing the Cost Driver explanations, Hydro 2000 came across historical accounting errors which created artificial variances from year to year. Most if not all of the errors were costs that were entered in incorrect accounts. Hydro 2000 opted to correct these accounting errors so to present a more accurate depiction of its spending trends and cost drivers. Hydro 2000 notes that these accounting errors affect the RRR and as a result also affect its historical financial statements. For the purpose of this rate application and for the Board to be able to determine an appropriate level of spending, Hydro 2000 made the following adjustments. All evidence and table presented in this exhibit reflect the corrected OM&A.

	2012	2012	2013	2013	2014	2014	2015	2015
	RRR	Adjusted	RRR	Adjusted	RRR	Adjusted	RRR	Adjusted
5012-Station Buildings and Fixtures Expense	\$4,138	\$0	\$4,209	\$0	\$4,042	\$0	\$3,009	\$0
5020-Overhead Distribution Lines and Feeders - Operation Labour								
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses								
5095-Overhead Distribution Lines and Feeders - Rental Paid			\$0	\$11,000				
5120-Maintenance of Poles, Towers and Fixtures								
5125-Maintenance of Overhead Conductors and Devices								
5310-Meter Reading Expense								
5315-Customer Billing					\$117,056	\$130,676		
5610-Management Salaries and Expenses					\$70,412	\$87,860	\$13,769	\$111,317
5615-General Administrative Salaries and Expenses							\$12,269	\$5,800
5620-Office Supplies and Expenses	\$24,093	\$28,231	\$20,175	\$24,384	\$20,223	\$24,265	\$24,134	\$27,143
5630-Outside Services Employed								
5655-Regulatory Expenses	\$22,991	\$21,491	\$68,038	\$64,528	\$51,111	\$49,545	\$67,143	\$63,343
5665-Miscellaneous General Expenses								
5680-Electrical Safety Authority Fees	\$0	\$1,500	\$0	\$1,510	\$0	\$1,566	\$0	\$1,800
6205-Donations			\$100	\$100	\$2,100	\$100		
6205-Sub-account LEAP Funding			\$0	\$2,000	\$0	\$2,000		

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	2016	2016	2017	2017	2018	2018
	RRR	Adjusted	RRR	Adjusted	RRR	Adjusted
5012-Station Buildings and Fixtures Expense						
5020-Overhead Distribution Lines and Feeders - Operation Labour			\$19,715	\$0	\$14,041	\$880
5025-Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	\$14,019	\$0				
5095-Overhead Distribution Lines and Feeders - Rental Paid	\$0	\$2,383	\$4,492	\$2,109	\$4,165	\$4,165
5120-Maintenance of Poles, Towers and Fixtures			\$27,403	\$26,666	\$880	\$0
5125-Maintenance of Overhead Conductors and Devices	\$448	\$14,467			\$650	\$14,691
5310-Meter Reading Expense			\$14,733	\$0	\$12,562	\$0
5315-Customer Billing			\$137,630	\$152,363	\$138,383	\$151,785
5610-Management Salaries and Expenses						
5615-General Administrative Salaries and Expenses			\$0	\$6,000	\$1,066	\$7,166
5620-Office Supplies and Expenses			\$28,231	\$25,159		
5630-Outside Services Employed	\$36,782	\$39,082	\$58,132	\$61,204	\$63,709	\$61,571
5655-Regulatory Expenses	\$42,628	\$40,796	\$64,490	\$56,885	\$51,287	\$45,489
5665-Miscellaneous General Expenses	\$2,754	\$454				
5680-Electrical Safety Authority Fees	\$0	\$1,832	\$0	\$1,605	\$0	\$1,836
6205-Donations						
6205-Sub-account LEAP Funding						

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Table 5 – OEB Appendix 2-JB – Recoverable OM&A Cost Driver Table⁶

<i>Reporting Basis</i>	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	CGAAP	NEWGAAP	NEWGAAP
OM&A	2012	2013	2014	2015	2016	2017	2018	2019	2020
Opening Balance	\$401,566	\$425,427	\$411,857	\$385,393	\$435,292	\$438,252	\$480,961	\$453,606	\$508,206
5010-Load Dispatching	-\$5,345								
5065-Meter Expense				\$7,250	-\$7,250				
5095-Overhead Distribution Lines and Feeders - Rental Paid		\$11,000	-\$11,000						-\$7,246
5120-Maintenance of Poles, Towers and Fixtures					\$5,000	\$21,666	-\$26,666		
5125-Maintenance of Overhead Conductors and Devices					\$9,622	-\$9,351	\$9,575	-\$4,865	
5135-Overhead Distribution Lines and Feeders - Right of Way		\$12,861	-\$13,236		\$7,178				
5175-Maintenance of Meters	\$63,240	-\$63,240						\$5,006	\$13,891
5315-Customer Billing	\$13,300			-\$7,869	\$25,007				-\$8,872
5335-Bad Debt Expense		-\$11,995	\$17,969	\$8,781	-\$9,493		-\$12,760		
5605-Executive Salaries and Expenses				\$5,187			-\$6,964	\$14,527	\$7,554
5610-Management Salaries and Expenses	-\$20,858	\$15,937	-\$9,980	\$23,457	-\$40,058	-\$24,160	\$6,657	\$26,367	-\$11,128
5620-Office Supplies and Expenses	\$9,976				-\$7,922	\$5,938	\$7,652		\$5,211
5630-Outside Services Employed	\$17,319	-\$19,338			\$23,988	\$22,122		-\$16,318	
5645-Employee Pensions and Benefits				-\$8,301	\$7,462				
5655-Regulatory Expenses	-\$50,884	\$43,037	-\$14,983	\$13,799	-\$22,547	\$16,089	-\$11,396	\$26,318	\$0
Expenses < \$5000	-\$2,887	-\$1,833	\$4,766	\$7,595	\$11,972	\$10,406	\$6,546	\$3,565	\$82
Closing Balance	\$425,427	\$411,857	\$385,393	\$435,292	\$438,252	\$480,961	\$453,606	\$508,206	\$507,699
OM&A Summary Integrity Check	\$425,427	\$411,858	\$385,393	\$435,292	\$438,252	\$480,961	\$453,606	\$508,206	\$507,699
Difference	\$0	-\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0

⁶ MFR - Recoverable OM&A cost drivers; Appendix 2-JB

Hydro 2000 only experienced one expense above the materiality threshold of \$50,000 during the 2012 BA to 2020 period. Hydro 2000 felt that, given the size of the utility, variances above 5K were worth explaining.

5010-Load Dispatching

2012BA – 2012 ; Decrease of -\$5,345

This account is used for underground locates. Back in 2012, the previous management anticipated that there would be steady locates year after year; however, this did not occur as anticipated.

5065-Meter Expense

The previous Manager divided his salary amongst the different account categories according to the tasks performed. This method was not carried out thereafter.

2015-2016 ; Decrease of -\$7,250

The increase in expenditure related to the Meter Expenses only occurred in the previous year. The decrease represents the normalizing of the expenses in that account.

5120-Maintenance of Poles, Towers and Fixture

2015-2016; Increase of \$5,000

The increase between 2015 and 2016 related to the removal of a PCB Transformer.

2016-2017; Increase of \$21,666

The one time increase of \$26,666.29 in 2017 was for pole testing that was conducted in preparation for the development of the company's DSP, partially offset by the normalizing of costs related to the removal of a PCB Transformer in 2016.

2017-2018 ; Decrease of \$-26,666

The expenditure related to pole testing only occurred in the previous year. The decrease represents the normalizing of the expenses in the account.

5125-Maintenance of Overhead Conductors and Devices

2016-2017; Increase of \$9,622

The cost is related to the repair of a faulty underground cable in 2017 that was recorded in this account by error.

2017-2018 ; Decrease of -\$9,351

The expenditure related to the trouble call in 2017 only occurred in the previous year.
The decrease represents the normalizing of the expenses in that account.

2018-2019 ; Increase of \$9,575

In order to retain its linemen, the subcontractor Sproule Powerline initiated weekend standby compensation. The cost of this initiative to Hydro 2000 is \$100 per week for a total of \$5,200 per year. The remaining expenditures related to different trouble calls throughout the year.

5135-Overhead Distribution Lines and Feeders - Right of Way

2012-2013; Increase of \$12,861

The utility increased the amount of tree trimming done in 2013 in order to proactively decrease incidental occurrences.

2013-2014 ; Decrease of -\$13,236

The expenditure related to increased tree trimming only occurred in the previous year. The decrease in 2014 represents the normalizing of the expenses in that account.

2015-2016 ; Increase of \$7,178

Following the high cost incurred in 2013 for tree trimming as a necessity measure, the Board of Directors initiated a preventive maintenance annual Tree Trimming program. The Subcontractor Linemen visualize all of the overhead Distribution Lines in January of every year and remove all potential hazards.

5175-Maintenance of Meters

2012BA-2012; Increase of \$63,240

The expenses are related to the approved disposition of smart meter Accounts 1555 & 1556 by OEB during last COS

2012-2013; Decrease of \$-\$63,240

The expenditure related to the Smart Meters only occurred as a result of the treatment of smart meter expenses in the previous year. The decrease represents the normalizing of the expenses in that account.

2018-2019 ; Increase of \$8,918

Meter Sampling including sampling of meters, Install/removal of meters for testing and shipping cost to meet Measurement Canada regulations.

5315-Customer Billing

2012BA-2012; Increase of \$13,300

The increase related to the hiring of a new employee for the CDM Program added workload.

2014-2015; Decrease of \$-7,869

The previous manager incorrectly allocated conservation program funds in the amount of \$13,619.61 against salaries. That was, in his opinion, the portion of salaries reflecting the hours spent away from their regular tasks to accomplish the conservation program implementation. The decrease was partially offset by software license increased costs of \$7,772.40.

2015-2016; Increase of \$25,007

Hydro 2000 contracted its billing to ORPC which resulted in an increase of \$27,467.46.

Salary decrease of \$12,963.39 a normalization of the previous year's error in allocating CDM funds to salaries.

Accountant Assistance for staff support should have been reported in Account #5630 in amount of \$14,000.

2019-2020 ; Increase of \$10,403

Salary increase for Administration Coordinator and Client Services Clerk.

5335-Bad Debt Expense

Please see Section 4.6.4 for the derivation of bad debt expense.

5605-Executive Salaries and Expenses

2014-2015; Increase of \$5,187

Increased costs in relation to an increase in the number of meetings of Board of Directors as they revised the company's new administrative processes and procedures.

2017-2018; Decrease of -\$6,964

The number of Board members decreased to 3 members only. The vacant position was not immediately replaced because of the Municipal Election that particular year.

2018-2019 ; Increase of \$14,527

Board Members were hired, and vacant positions filled. There was also an increase in board meetings to bring the new Board up to speed.

2019-2020 ; Increase of \$7,554

Board of Directors are overdue a pay increase as more of their involvement is required to keep up with filing requirements and to put better communication and administrative procedures in place.

5610-Management Salaries and Expenses

2012BA-2012; Decrease of -\$20,858

The planned salary increase was not carried out in 2012. Overtime was not paid out as planned in 2012 but in 2013 instead.

2012-2013; Increase of \$15,937

Part of the planned salary increase was implemented in 2013. There was less overtime than planned.

2013-2014 ; Decrease of -\$9,980

Cumulated Time was carried over to the next year.

2014-2015 ; Increase of \$23,457

The Manager had accumulated \$18,000 in overtime which was paid out in 2015. In addition to regular pay increase according to his pay scale.

2015-2016; Decrease of -\$40,058

The Manager left at the end of April 2016 and was temporarily replaced by a new billing clerk. The said clerk was promoted to Manager in September of 2016. This employee was less qualified than the previous Manager hence the lower pay scale. The salary for May to August was recorded under Billing expense since the Manager position was not filled immediately.

2016-2017; Decrease of -\$24,160

The new Manager's salary was based less experience and qualifications than the previous manager.

2017-2018; Increased of -\$6,657

A new Manager was hired in May of 2018. The Manager's salary was adjusted upwards to reflect increased qualifications and experience.

2018-2019 ; Increase of \$26,367

A new Manager was hired in May of 2018. The Manager's salary was adjusted upwards to reflect increased qualifications and experience. Substantial time and effort were needed to reorganize the administration in order to finalize the 2015-2016 Audit of Accounts 1588 and 1589 plus the preparation of the COS.

2019-2020 ; Decrease of -\$11,128

The decrease reflects normalization after the one-time overtime pay of the previous year.

5620-Office Supplies and Expenses

2012BA-2012; Increase of \$9,976

The previous manager had not anticipated the increment of \$7,022 for stamps alone in the last Board Approved budget. The increase is due to the change from bi-monthly to monthly billing in 2011. The cost of heating was incorrectly allocated to account 5012 in the last Cost of Service as opposed to 5620. This accounts for an additional \$4,138. A decrease in the cost of office supplies partially offset the total expenditures.

2016-2017; Decrease of \$7,922

Office supplies decreased by \$7,922 that particular year.

2017-2018 ; Increase of \$5,938

Office supplies increased due to office reorganization. Bank penalties increased due to unpaid late charges under previous management.

2019-2020 ; Increase of \$5,194

The increase is due to an increase in supplies and software fees (Norton Antivirus and Microsoft monthly fee). Telephone service costs also increased by \$3,435.

5630-Outside Services Employed

2012BA-2012; Increase of \$17,319

The increase in accounting fees were as a result of the previous Cost of Service. (post-filing costs).

2012-2013; Decrease of -\$19,338

The expenditure related to the previous Cost of Service was a onetime occurrence. The decrease represents the normalizing of the expenses in that account.

2015-2016; Increase of \$23,988

Accounting fees increased due to the preparation of a severance package. There was also an increase related to accounting workload.

2016-2017; Increase of \$22,122

External accounting fees related to yearend and the variance account audit was in the amount of \$49,111.30. The increase was partially offset by cost reductions.

2018-2019 ; Decrease of -\$16,819

The decrease represents the normalizing of the expenses in that account.

5645-Employee Pensions and Benefits

2014-2015; Decrease of -\$8,301

Same as account 5315 for the same year. The previous manager incorrectly allocated conservation program funds against salaries. That was, to his opinion, the portion of salaries reflecting the hours spent away from their regular tasks to accomplish the conservation program implementation.

2015-2016; Increase of \$7,462

Severance Package for previous manager.

5655-Regulatory Expenses

2012BA-2012; Decrease of -\$50,884

There were less regulatory expenses than anticipated.

2012-2013; Increase of \$43,037

The total cost for the cast of service was to be amortized over 4 years. No amount was recorded in 2012. In 2013, the amounts for 2012 and 2013 were recognized. \$19,422 and \$39,033 recognized in 2013 for a total of \$58,455. There were also expenses of \$12,163 for Elenchus and Deloitte in 2012 which did not occur in 2013. Increase of \$58,455 less reduction of \$12,163 equal a net increase of \$46,292.

2013-2014 ; Decrease of -\$14,983

1 The reduction in 2014 is due to the amount of 2012 recognized in 2013 (\$19,422) which
2 explains a bit more than the reduction.

3 **2014-2015 ; Increase of \$13,799**

4 Hydro 2000 entered into a 4-year contract with Tandem Energy Services. The increase of
5 30K is offset by other regulatory cost reductions.

6 **2015-2016; Decrease of -\$22,122**

7 The amortization of the rebasing costs has ended creating a decrease in overall
8 regulatory costs.

9 **2016-2017; Increase of \$16,089**

10 Accounting fees increased as a result of the Audit of Variance account. The OEB
11 assessment costs increased by \$3,190.21 above the previous year.

12 **2017-2018; Decrease of -\$11,396**

13 No significant Accounting fee were incurred in this particular year.

14 Consultant Tandem Energy increase cost of \$5,000.

15 **2018-2019; Increase of \$35,347**

16 Accountant fee for Variances 1588 & 1589 Audit for \$23,192.25. GoSecure Consultant for
17 Cyber Security \$9,600.

18 **2019-2020 ; Decrease of -\$21,388**

19 No significant Accounting fee were incurred in this particular year. The reduction is offset
20 by an increase in Regulatory Costs which are discussed at 4.6.3
21

4.2.2 YEAR OVER YEAR VARIANCE ANALYSIS

The following section provides explanations of the year over year cost variances and drivers. As explained in the previous Cost Driver section, Hydro 2000 only had a few increases above the threshold of \$50,000. However, as with the previous section, the utility chose to highlight and explain variances that it considers significant enough to warrant justification. The variances explained include both increases and decreases. For each significant change Hydro 2000 has described the reasons and decision that was made to manage the cost increase/decrease and the alternatives.⁷

Table 6 – 2012 Actual vs. 2012 Board Approved- to Table 14 – 2020 Actual vs. 2019 Bridge below show the year over year variances of OM&A expenses for 2012 Board Approved to the 2020 Test Year. An overview of significant variances are explained below each table.

Table 6 – 2012 Actual vs. 2012 Board Approved

	Board Approved	2012	Var \$	Var %
<i>Operations</i>	\$12,775	\$3,936	-\$8,839	-69.2%
<i>Maintenance</i>	\$2,050	\$65,534	\$63,484	3096.8%
<i>Billing and Collecting</i>	\$127,734	\$142,613	\$14,879	11.6%
<i>Community Relations</i>	\$717	\$0	-\$717	-100.0%
<i>Administrative and General</i>	\$258,290	\$213,346	-\$44,944	-17.4%
Total	\$401,566	\$425,427	\$23,861	5.9%

The total OM&A costs in 2012 were \$23,861 greater than the 2012 Board Approved amount. The major reasons for the variance between Board Approved and Actual was due to the utility having underestimated operation costs related to the installation of smart meters and billing costs following the cost of service application. Hydro 2000 also incurred additional expenses from its accounting firm Deloitte for their work on the cost of service application.

⁷ MFR - For each significant change within the applicant's control describe business decision that was made to manage the cost increase/decrease and the alternatives

Table 7 – 2013 Actual vs. 2012 Actual

	2012	2013	Var \$	Var %
<i>Operations</i>	\$3,936	\$17,166	\$13,230	336.1%
<i>Maintenance</i>	\$65,534	\$13,761	-\$51,772	-79.0%
<i>Billing and Collecting</i>	\$142,613	\$131,905	-\$10,708	-7.5%
<i>Community Relations</i>	\$0	\$0	\$0	0.0%
<i>Administrative and General</i>	\$213,346	\$249,026	\$35,681	16.7%
Total	\$425,427	\$411,858	-\$13,570	-3.2%

The total OM&A costs in 2013 were -\$13,570 lower than 2012 Actual. The bulk of the reduction in total OM&A can be attributed to the costs related to the installation of smart meters not reoccurring in 2013. The reduction was offset by an increase in Administrative and General expenses related to rebasing costs of \$43,037 and adjustments to salaries that did not occur in 2012 as planned. The utility also had several "trouble calls" due to weather.

Table 8 – 2014 Actual vs. 2013 Actual

	2013	2014	Var \$	Var %
<i>Operations</i>	\$17,166	\$9,576	-\$7,589	-44.2%
<i>Maintenance</i>	\$13,761	\$300	-\$13,461	-97.8%
<i>Billing and Collecting</i>	\$131,905	\$151,230	\$19,325	14.7%
<i>Community Relations</i>	\$0	\$0	\$0	0.0%
<i>Administrative and General</i>	\$249,026	\$224,287	-\$24,739	-9.9%
Total	\$411,858	\$385,393	-\$26,464	-6.4%

The total OM&A costs in 2014 were lower than the 2013 Actuals by -\$26,464. The major driver behind this decrease is maintenance work that did not reoccur in 2014. Lower than usual administrative costs were related to the Manager offsetting his salary expense through the CDM.

Table 9 - 2015 Actual vs. 2014 Actual

	2014	2015	Var \$	Var %
<i>Operations</i>	\$9,576	\$15,920	\$6,344	66.2%
<i>Maintenance</i>	\$300	\$6,015	\$5,715	1905.1%
<i>Billing and Collecting</i>	\$151,230	\$152,424	\$1,194	0.8%
<i>Community Relations</i>	\$0	\$0	\$0	0.0%
<i>Administrative and General</i>	\$224,287	\$260,933	\$36,646	16.3%
Total	\$385,393	\$435,292	\$49,899	12.9%

The total OM&A expenses in 2015 were \$49,899 higher than the 2014 Actual amount. The main contributor to the variance is attributable to the hiring of Consultant Tandem Energy. The error of offsetting the manager's salary with CDM funding was corrected and did not reoccur in 2015

Operation & Maintenance Costs were low indicating a lack of investment in the distribution system.

Table 10 - 2016 Actual vs. 2015 Actual

	2015	2016	Var \$	Var %
<i>Operations</i>	\$15,920	\$16,705	\$785	4.9%
<i>Maintenance</i>	\$6,015	\$28,132	\$22,117	367.7%
<i>Billing and Collecting</i>	\$152,424	\$168,966	\$16,542	10.9%
<i>Community Relations</i>	\$0	\$0	\$0	0.0%
<i>Administrative and General</i>	\$260,933	\$224,449	-\$36,484	-14.0%
Total	\$435,292	\$438,252	\$2,960	0.7%

The total OM&A expenses in 2016 were \$2,960 greater than 2015 Actual.

The main contributor to the modest overall change is a decrease in Administrative Costs which was due to a change in Management staff.

The decrease is offset by an increase in customer billing and collecting most of which is due to the costs incurred by the utility in going from bi-monthly billing to monthly billing. The other increase is related to Operation and Maintenance costs that went up as a result of tree trimming and PCB removal was attended to.

Table 11 - 2017 Actual vs. 2016 Actual

	2016	2017	Var \$	Var %
<i>Operations</i>	\$16,705	\$13,384	-\$3,321	-19.9%
<i>Maintenance</i>	\$28,132	\$42,888	\$14,756	52.5%
<i>Billing and Collecting</i>	\$168,966	\$175,254	\$6,288	3.7%
<i>Community Relations</i>	\$0	\$411	\$411	100.0%
<i>Administrative and General</i>	\$224,449	\$249,024	\$24,576	10.9%
Total	\$438,252	\$480,961	\$42,709	9.7%

The total OM&A expenses in 2017 are \$42,709 more than 2016 Actual.

Expenses related to Operations and Maintenance are higher than 2016 by \$11,435 as a result of pole testing in advance of the DSP . Billing and Collecting remained steady between 2016 and 2017.

The increase in Administrative and General Costs of \$24,576 can be attributed to an increase in accounting workload and fees to help the new Manager who required additional training to understand the industry's accounting practices.

Table 12 - 2018 Bridge vs. 2017 Actual

	2017	2018	Var \$	Var %
<i>Operations</i>	\$13,384	\$15,998	\$2,614	19.5%
<i>Maintenance</i>	\$42,888	\$28,940	-\$13,949	-32.5%
<i>Billing and Collecting</i>	\$175,254	\$164,389	-\$10,865	-6.2%
<i>Community Relations</i>	\$411	\$0	-\$411	-100.0%
<i>Administrative and General</i>	\$249,024	\$244,280	-\$4,745	-1.9%
Total	\$480,961	\$453,606	-\$27,355	-5.7%

The total OM&A expenses in 2018 were -\$27,355 less than 2017 Actual.

2018 saw a decrease in all subsections. The reason for the decrease is the Board of Director took on a more conservative approach and held off on many operating expenditures because of the

lack of cashflow. Hydro 2000 hired a new Manager in May of 2018. The new manager has an accounting background and as such, requires less assistance from the external accounting firm.

Table 13 – 2019 Actual vs. 2018 Bridge

	2018	2019	Var \$	Var %
<i>Operations</i>	\$15,998	\$15,959	-\$39	-0.2%
<i>Maintenance</i>	\$28,940	\$28,068	-\$871	-3.0%
<i>Billing and Collecting</i>	\$164,389	\$165,283	\$894	0.5%
<i>Community Relations</i>	\$0	\$0	\$0	0.0%
<i>Administrative and General</i>	\$244,280	\$298,896	\$54,616	22.4%
Total	\$453,606	\$508,206	\$54,600	12.0%

The total increase from 2018 to 2019 in the amount of \$56,029 is for the most part attributable to the increase in Administrative and General costs of \$69,707. The increase is for the most part due to changes in staffing that were made in order to bring the business up to the standards required by the OEB and Hydro 2000's customers.

Operation and Maintenance's increase was for the most part due to taking on a more proactive approach to asset condition.

Table 14 – 2020 Actual vs. 2019 Bridge

	2019	2020	Var \$	Var %
<i>Operations</i>	\$15,959	\$10,000	-\$5,959	-37.3%
<i>Maintenance</i>	\$28,068	\$41,146	\$13,078	46.6%
<i>Billing and Collecting</i>	\$165,283	\$160,231	-\$5,052	-3.1%
<i>Community Relations</i>	\$0	\$0	\$0	0.0%
<i>Administrative and General</i>	\$298,896	\$296,322	-\$2,574	-0.9%
Total	\$508,206	\$507,699	-\$507	-0.1%

The total decrease from 2019 to 2020 is marginal at of \$507. Hydro 2000 expects it's costs for 2019 and 2020 to be the norm going forward.

The costs related to operation and maintenance and community relations remain stable with variances well below the materiality threshold.

1 **Cost per Customer**

2 OEB Appendix 2-L Employee Costs at Table 15 – OEB Appendix 2-L Recoverable OM&A Cost per
3 Customer and FTE below shows an OM&A cost per customer of \$392 in 2020 in comparison to
4 \$331 in the 2012 . Hydro 2000 is also aware that the utility's requirements have increased
5 significantly over the past eight years and that the utility employees have been taking on more
6 workload to be able to respond to the increase in these regulatory requirements. The
7 Administration costs per FTE has increase from \$96,685 to \$149,744. The increase in efficiency
8 from 2012 to 2020 is also reflected Hydro 2000's PEG ranking. Hydro 2000's actual costs of
9 \$682,504 is \$292,306 lower than it's Predicted costs of \$974,809. Despite being ranked in the
10 most cost-efficient PEG grouping, Hydro 2000 commits to continuing to look for ways of finding
11 efficiencies to help avoid cost increases for its customers when feasible.

12

13 **Table 15 – OEB Appendix 2-L Recoverable OM&A Cost per Customer and FTE⁸**

		2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Customers		1,217	1,221	1,224	1,228	1,222	1,237	1,238	1,241	1,267
Total Recoverable OM&A		425,427	411,858	385,393	435,292	438,252	480,961	453,606	508,206	507,699
OM&A cost per customer		350	337	315	354	359	389	366	410	401
Number of FTEs		4	3	3	3	3	3	3	3	3
Customers/FTEs		304	407	408	409	407	412	413	414	422
OM&A Cost per FTE		106,357	137,286	128,464	145,097	146,084	160,320	151,202	169,402	169,233
	2012BA	2012	2013	2014	2015	2016	2017	2018	2019	2020
OM&A Costs										
O&M	\$14,825	\$69,469	\$30,927	\$9,876	\$21,935	\$44,837	\$56,272	\$44,938	\$44,027	\$51,146
Admin Expenses	\$386,741	\$355,958	\$380,931	\$375,517	\$413,357	\$393,415	\$424,689	\$408,668	\$464,178	\$456,553
Total Recoverable OM&A from Appendix 2-JB ⁵	\$401,566	\$425,427	\$411,858	\$385,393	\$435,292	\$438,252	\$480,961	\$453,606	\$508,206	\$507,699
Number of Customers ^{2,4}	1,215	1,217	1,221	1,224	1,228	1,222	1,237	1,238	1,241	1,267
Number of FTEs ^{3,4}	4	4	3	3	3	3	3	3	3	3
Customers/FTEs	304	304	407	408	409	407	412	413	414	422
OM&A cost per customer										
O&M per customer	\$12	\$57	\$25	\$8	\$18	\$37	\$46	\$36	\$35	\$40
Admin per customer	\$318	\$293	\$312	\$307	\$337	\$322	\$343	\$330	\$374	\$360
Total OM&A per customer	\$331	\$350	\$337	\$315	\$354	\$359	\$389	\$366	\$410	\$401
OM&A cost per FTE										
O&M per FTE	\$3,706	\$17,367	\$10,309	\$3,292	\$7,312	\$14,946	\$18,757	\$14,979	\$14,676	\$17,049
Admin per FTE	\$96,685	\$88,990	\$126,977	\$125,172	\$137,786	\$131,138	\$141,563	\$136,223	\$154,726	\$152,184
Total OM&A per FTE	\$100,392	\$106,357	\$137,286	\$128,464	\$145,097	\$146,084	\$160,320	\$151,202	\$169,402	\$169,233

⁸ MFR - Recoverable OM&A Cost per customer and per FTE; Appendix 2-L

4.2.3 ACTUAL VS INFLATION

Utilities are under constant pressure to relate their spending to cost inflation; therefore, in the preparation of the Test Year budget, Hydro 2000 has calculated the year over year inflationary increase in OM&A costs at a rate of 2% and compared to its 2020 operating costs.

The increase in Administrative costs can be attributed to regulatory costs directly related to the Cost of Service application including the cost of the DSP. When budgeting, Hydro 2000 has historically used a rate of inflation of 2% per USoA account, however as of 2020, the utility plans on using the adjusted price cap index as an inflation factor. The table below show Hydro 2000's actual year over year variances vs a hypothetical year over year variance at an increase of 1.5%.

Table 16 – Actual Year over Year Increase

<i>Actual Year over Year</i>	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Operations</i>	\$3,936	\$17,166	\$9,576	\$15,920	\$16,705	\$13,384	\$15,998	\$15,959	\$10,000
<i>Maintenance</i>	\$65,534	\$13,761	\$300	\$6,015	\$28,132	\$42,888	\$28,940	\$28,068	\$41,146
<i>Billing and Collecting</i>	\$142,613	\$131,905	\$151,230	\$152,424	\$168,966	\$175,254	\$164,389	\$165,283	\$160,231
<i>Community Relations</i>	\$0	\$0	\$0	\$0	\$0	\$411	\$0	\$0	\$0
<i>Administrative and General</i>	\$213,346	\$249,026	\$224,287	\$260,933	\$224,449	\$249,024	\$244,280	\$298,896	\$296,322
Total	\$425,427	\$411,858	\$385,393	\$435,292	\$438,252	\$480,961	\$453,606	\$508,206	\$507,699
<i>\$Change (year over year)</i>		-\$13,570	-\$26,464	\$49,899	\$2,960	\$42,709	-\$27,355	\$54,600	-\$507

Table 17 – Hypothetical Inflationary Increase of 1.5%

<i>Inflationary Year over Year</i>	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Operations</i>	\$3,936	\$3,995	\$4,055	\$4,116	\$4,177	\$4,240	\$4,304	\$4,368	\$4,434
<i>Maintenance</i>	\$65,534	\$66,517	\$67,514	\$68,527	\$69,555	\$70,598	\$71,657	\$72,732	\$73,823
<i>Billing and Collecting</i>	\$142,613	\$144,752	\$146,923	\$149,127	\$151,364	\$153,634	\$155,939	\$158,278	\$160,652
<i>Community Relations</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Administrative and General</i>	\$213,346	\$216,546	\$219,794	\$223,091	\$226,437	\$229,834	\$233,281	\$236,780	\$240,332
Total	\$425,427	\$431,809	\$438,286	\$444,860	\$451,533	\$458,306	\$465,181	\$472,158	\$479,241
<i>\$Change (year over year)</i>		\$6,381	\$6,477	\$6,574	\$6,673	\$6,773	\$6,875	\$6,978	\$7,082

4.3 PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

4.3.1 PROGRAM DESCRIPTIONS

Appendix 2-JC below shows the year over year variances of OM&A programs for 2012 Board Approved to 2020. The utility selected and adopted these programs based on a review of OM&A Programs that were introduced in recent Cost of Service applications which categorize the USoA account/functions based on the RRFE categories, Customer Focus, Operational Effectiveness, Public Responsiveness.

Hydro 2000 does not currently track its costs in these categories; the programs it specifically chose to represent a complement of programs that Hydro 2000 feels it could maintain going forward along with continuing to use the USoA accounting methodology as it currently does.

Table 18 - OEB Appendix 2-JC – OM&A Programs Table below shows year over year variance using the RRFE categorization. No variance analysis of expenses exceeding the materiality threshold was identified.

1

Table 18 - OEB Appendix 2-JC – OM&A Programs Table⁹

Reporting Basis	CGAAP	CGAAP	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Programs	2012	2012	2013	2014	2015	2016	2017	2018	2019	2020
Customer Focus										
Customer Service, Mailing Costs, Billing and Collections, Bad Debt	\$128,451	\$142,613	\$132,005	\$151,330	\$152,724	\$168,966	\$175,665	\$164,389	\$165,283	\$160,231
Sub-Total	\$128,451	\$142,613	\$132,005	\$151,330	\$152,724	\$168,966	\$175,665	\$164,389	\$165,283	\$160,231
Distribution System Effectiveness										
Operational Effectiveness	\$12,775	\$3,936	\$17,166	\$9,576	\$15,920	\$16,705	\$13,384	\$15,998	\$15,959	\$10,000
Maintenance Effectiveness	\$2,050	\$65,534	\$13,761	\$300	\$6,015	\$28,132	\$42,888	\$28,940	\$28,068	\$41,146
Sub-Total	\$14,825	\$69,469	\$30,927	\$9,876	\$21,935	\$44,837	\$56,272	\$44,938	\$44,027	\$51,146
Administrative Effectiveness										
Wages	\$121,060	\$100,088	\$116,086	\$105,213	\$134,057	\$96,569	\$71,983	\$72,841	\$116,696	\$112,995
Office related expenses	\$45,878	\$55,438	\$52,046	\$50,864	\$44,339	\$46,170	\$55,347	\$60,542	\$61,573	\$68,818
Sub-Total	\$166,938	\$155,525	\$168,132	\$156,077	\$178,396	\$142,739	\$127,330	\$133,384	\$178,270	\$181,813
Public and Regulatory Responsiveness										
Regulatory & Compliance (Regulatory and Accounting Services, ESA)	\$91,352	\$57,820	\$80,794	\$68,111	\$82,237	\$81,710	\$121,694	\$110,896	\$120,626	\$114,509
Sub-Total	\$91,352	\$57,820	\$80,794	\$68,111	\$82,237	\$81,710	\$121,694	\$110,896	\$120,626	\$114,509
TOTAL OM&A	401,566	425,427	411,858	385,393	435,292	438,252	480,961	453,606	508,206	507,699
<i>integrity check</i>	401,566	425,427	411,858	385,393	435,292	438,252	480,961	453,606	508,206	507,699

2

3 Program Overview

4 Hydro 2000 aims to meet or exceed the system maintenance and inspection requirements of
5 the Ontario Energy Board's (OEB's) Distribution System Code (DSC) in order to minimize
6 subsequent repair and replacement costs. Section 4.4.1, of the DSC states:

7 "A distributor shall maintain its distribution system in accordance with good utility
8 practice and performance standards to ensure reliability and quality of electricity service,
9 on both a short-term and long-term basis."

10 The following OM&A maintenance programs are consistent with good utility practices.

11 Customer Focus

- 12 • Customer Service, Mailing Costs, Billing and Collections

⁹ MFR - Completed Appendix 2-JC OM&A Programs Table - completed by program or major functions; include variance analysis limited to variances that are outliers, between test year and last OEB approved and most recent actuals, including an explanation for each significant change whether the change was within or outside the applicant's control and explanation of why

- 1 • Bad Debts Collection

2 **Distribution System Effectiveness**

- 3 • Operational and Maintenance Effectiveness

4 **Public and Regulatory Responsiveness**

- 5 • Safety Compliance
- 6 • Regulatory
- 7 • LEAP (Miscellaneous)

8 Each program is discussed further below.

9

Customer Focus

Customer Service, Mailing Costs, Billing and Collections, Bad Debt, Community Relations (5310,5315,5320,5330,5335,5410,5415,6205)

Hydro 2000's Billing and Customer Service clerk is responsible for Billing and Collections activities that include:

- (1) correctly computing and billing customers using approved rates, rate riders, rate adders, loss factors and other regulated rates and charges,
- (2) Testing and promoting Customer Information System enhancements to support regulatory changes which are done by Erth Holdings.
- (3) processing bill payments promptly to satisfy cash flow requirements, and
- (4) managing delinquent accounts appropriately so that all customers pay for the services provided to them.

The administrative staff is also responsible for handling day to day customer inquiries regarding their accounts and fielding numerous other questions as they relate to Government and Regulatory policy, OESP Program, LEAP information, conservation and demand management, pricing and consumption inquiries. In addition to these functions, customer service representatives are also responsible for the processing of payments dropped off at the office, customer move ins and outs, activations of the Equal Payment program, and numerous other administrative tasks. This department fields approximately 2200 of calls per year.

As the number of electricity end users in the service area increases and changes occurs within Ontario's electricity market, Hydro 2000's call and correspondence volumes will continue to increase.

The administrative staff is responsible for all billing activities supporting approximately 1,200 customers in Hydro 2000's service areas. In 2019 Hydro 2000 produced approximately 15,000 bills, monthly and final bills, with a billing accuracy rate of 99.87%.

Hydro 2000 offers customers several billing and payment options including an equal payment plan, pre-authorized withdrawal, drop box, payment over the counter and credit card payments.

Leap (6205)

Low-Income Assistance Program (LEAP) is included under Deductions Donation Expense (USoA #6205). This amount is based on a utility's revenue requirement with a minimum threshold of \$2000.

Distribution System Effectiveness

Distributions System - Operations and Maintenance

(5005,5010,5012,5020,5025,5035,5065,5075,5095,5120,5125,5135,5155,5160,5175)

Operations and maintenance expenses include all costs relating to the operation and maintenance of the Hydro 2000 distribution system that are necessary to keep the distribution system in a state of good repair.

Maintenance work helps to identify those areas that require capital investments. Hydro 2000 is then able to adjust capital spending priorities to address these matters. This process is described in more detail in Hydro 2000's Distributions System Plan. Hydro 2000's maintenance strategy is an important part of its overall strategy of minimizing the life cycle costs of assets by minimizing reactive and emergency-type work, through an effective maintenance of the distribution system.

Hydro 2000 is very conscious of providing attention to its aging infrastructure. In its Distribution System Plan, it has presented graphical representations of the ages of its major system components and an overall representation of the average age of its system in historical and projected years. Using this information, it then forecasts the level of future capital investments to maintain a reasonable average life expectancy.

1 Operations and Maintenance expenses include all costs relating to the operation and
2 maintenance of the Hydro 2000 distribution system. The work typically involves
3 inspection, testing, cleaning, and verification activities. This includes both direct labour
4 costs and non-capital material spending to support both scheduled and reactive
5 maintenance events. The utility does not charge, nor has it ever allocated any burdens
6 to its costs.

7 Hydro 2000 does not have linesmen or operations staff. Instead the utility outsources it
8 all its Operations and Maintenance to Sproule Powerline Construction Ltd ("SPL").

9 SPL has worked with Hydro 2000 and other local utilities in the Ottawa Region for over
10 20 years. With 35 years of experience in the industry, the company uses trained
11 personnel and advanced equipment to provide cost effective and reliable service. Its
12 range of services include;

- 13 (1) Underground and overhead utility installations
- 14 (2) Streetlight installation and maintenance
- 15 (3) Substation construction and maintenance
- 16 (4) Thermographic inspections
- 17 (5) Trimming and removal of branches/trees
- 18 (6) Utility locates
- 19 (7) Insulator core blasting
- 20 (8) Excavation and site work

21 SPL's specific tasks as it pertains to Hydro 2000 include: Distribution & Transformer
22 Station; Tree trimming; Overhead Lines, conductor, devices & services; Underground
23 Lines, conductors, devices & services; Poles Towers and Fixtures. Metering is done by a
24 local metering contractor.

25 With respect to Metering, SPL performs, on behalf of the utility, the following services;
26 installation, testing, and commissioning of new metering and for the ongoing operations
27 of existing metering, both simple and complex metering installations. Testing of complex
28 metering installations ensures the accuracy of the installation (e.g. to verify that the

1 appropriate meter multipliers are applied through the billing process). Metering
2 proactively investigates potential diversion and/or theft of power that may give rise to
3 unsafe conditions or risk other customers being inappropriately held financially
4 responsible for costs.

5 Maintenance work on both Overhead and Underground Lines, conductor, devices &
6 services involve regular inspection to identify concerns requiring immediate attention
7 should those concerns exist. Most of the work SPL performs planned work and
8 categorized as priority scheduled work or normally scheduled work.

9 Except for pole replacements, transformer replacements, and wire replacements, the bulk
10 of the work described above is charged to maintenance. It is expected that the
11 maintenance budget will be fully utilized with the normal volume of maintenance work.

12 A portion of all hydro poles are tested by a pole testing contractor having expertise in
13 using non-invasive testing methods, and if deemed necessary, invasive pole testing
14 methods i.e. sample boring. The current rate of pole testing will see every pole testing in
15 approximately 4 years. The contractor provides Hydro 2000 with the results as a report
16 stating the pole condition and a relative rating of when the pole should be replaced or
17 the remaining life expectancy of the pole. The performance system report suggests that
18 the replacement of the poles to be replaced should be accelerated to minimize the risk
19 of an incident due to a defective pole.

Public and regulatory responsiveness

Regulatory & compliance (5620,5655,5680)

Regulatory and compliance includes all aspects of the preparation of cost of service and IRM rate applications, including consultants and wages and benefits for staff time spent in this area. Also included are the cost related to the RRR reporting, OEB annual assessments, cost awards, and fees. This program also covers professional costs associated with Regulatory Affairs as well as accounting services for yearend financial statements, oversight of the deferral and variance account balances and assistance in OEB audits if they occur. Hydro 2000 uses a third-party service to assist with the preparation of rate applications, input to the regulatory bodies and when necessary assist with regulatory filings. This function is also responsible for monitoring all applicable legislation.

4.4 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION

Hydro 2000 operates with three (3) full-time employees. A General Manager, Administrative Coordinator and a Client Service Representative. A description of each position is presented at the next pages.

General Manager

SUMMARY OF DUTIES

The Manager aims to carry out Hydro 2000 Inc operations in accordance with Ontario Energy Board (OEB), Local Distribution Company regulations and other provincial legislation. The Manager manages, supervises, coordinates, guides and controls all operations and administrative aspects of the business. The Manager initiates, set-up and ensure the follow-up of the bylaws established by the Board of Directors while providing them with the knowledge and expertise necessary to carry out their decisions.

RESPONSIBILITIES

1. FINANCIAL RESSOURCES

- Manage the budget and the financial situation of Hydro 2000 Inc.
- Authorize emergency expenditures
- Balance month end data and prepare IESO reports
- Prepare and gather annual data of revenues & OM&A to develop the operation budget, the Cost of Service and the Financial Plan
- Explore all possible financial field to maximize services rendered while maintaining the cost of electricity the lowest possible for the clients.
- Prepare OEB approved distribution rates, income sources, OM&A and capital expenses which will be presented on the budget
- Prepare invoices or supervise the invoicing procedures to ensure accuracy
- Prepare monthly and annual accounting reports for the Accountant and the Board of Directors
- Prepare or oversee the preparation of Banks Reconciliation
- Reconcile the cost of Power against IESO payment
- Reconcile the cost of Power against Hydro One payment
- Prepare or oversee the preparation of MicroFit payments and reports
- Prepare RRR filing requirements quarterly and annually
- Prepare or oversee the preparation of Statistics Canada monthly reports

- Gather the information to prepare, with the assistance of a Consultant, the Cost of Service and the Incentive Rate Mechanism
- Prepare and maintain the Condition of Service according to OEB regulations
- Gather the information to prepare, with the assistance of a Consultant, the Distribution System Plan and follow through with the Plan according to OEB instructions.
- Maintain or oversee the maintenance of the Management Assets Program
- Prepare tenders and award as per Board of Directors selection.
- Attend Shareholder annual meeting.

2. CLIENT SERVICES

- In the absence of Client Services Clerk and Administrative Coordinator, greet clients, receive payment, prepare receipts, prepare their OESP application, record move-in/move-out documents, awareness of Energy Conservation program available
- In the absence of Client Services Clerk and Administrative Coordinator, answer incoming telephone calls, take messages, or assist them with their questions.
- In the absence of Client Services Clerk, maintain website and Facebook site to date
- Answer and/or investigate requests and/or complaints regarding all aspects of Hydro 2000 Inc.
- Prepare or oversee the preparation of Clients refund for overpayments
- In the absence of Client Services Clerk and Administrative Coordinator, open Cashiering Batch, Closing and Balancing Cashiering Batch, Interact, transfer telephone system to Answering services
- Prepare or oversee the preparation of all accommodation for planned Power Outage
- Prepare or oversee the coordination in case of Power Outage
- Dispatch Linemen Contractor as needed.
- Schedule or oversee the development of new projects, Assets Management, tree trimming, locates.
- Responsible for problem-solving when situation escalates.

3. HUMAN RESOURCES

- Supervise Client Services Clerk and Administrative Coordinator tasks
- Revise Client Services Clerk and Administrative Coordinator work as needed

- 1 • Establish and ensure staff training for health and security
- 2 • Establish and ensure staff training for MFIPPA
- 3 • Establish and ensure staff training for Cyber Security
- 4 • Establish and ensure staff training pertaining to their tasks
- 5 • Establish job description and submit to Board of Directors for approval
- 6 • Submit reports and recommendations to Board of Directors for
- 7 disciplinary measures (suspension or firing), hiring process, and tasks
- 8 assignment.
- 9 • Assign tasks, projects, files and responsibilities to staff
- 10 • Prepare and present employees review; discuss the review with them
- 11 • Revise or oversee revision of payroll timecards; prepare or oversee the
- 12 preparation of payroll payments, remit or oversee the remittance of
- 13 Payroll burden

14 4. PROGRAM/SERVICE

- 15 • Establish, attend meetings, gather information regarding Cyber Security
- 16 • Establish, attend meetings, prepare awareness and documentation for
- 17 Energy Conservation Programs
- 18 • Prepare monthly reports for Energy Conservation Programs
- 19 • Coordinate or oversee coordination of Underground Maintenance
- 20 Program
- 21 • Coordinate or oversee coordination of Tree Trimming Program
- 22 • Coordinate or oversee coordination of Transformer Replacement Program
- 23 • Coordinate or oversee coordination of Pole Replacement Program
- 24 • Coordinate or oversee coordination of Transformer Fusing Protection
- 25 Program
- 26 • Coordinate or oversee coordination of Locates
- 27 • Revised and maintain the Disaster Recovery Plan
- 28 • Gather and prepare or oversee the preparation of MicroFit information to
- 29 remit payment to clients and report to Hydro One

30 5. ASSISTING BOARD OF DIRECTORS

- 31 • Analyze, revise, draft and present reports, procedures, recommendations
- 32 to Board of Directors
- 33 • Elaborate policies and procedures to improve the efficiency of Hydro
- 34 2000 Inc Distribution security and quality.
- 35 • Ensure to list all reports, files, request to the Board of Directors meeting
- 36 agenda

- 1 • Prepare or oversees the preparation of all Board of Directors meeting
- 2 minutes and sign them and forward them to Shareholder
- 3 • Ensure carrying out of Board of Directors decisions and instructions
- 4 • Coordinate, conduct and oversee projects and programs approved by the
- 5 Board of Directors
- 6 • Recommend to the Board of Directors contract agreements regarding
- 7 Residential and Commercial Projects, service contracts, etc.
- 8 • Prepare and revise tenders, contract and, agreements for Board of
- 9 Directors President signature
- 10 • Attend all Board of Directors regular meeting, special meeting, close door
- 11 meetings as needed
- 12 • Assist Board of Directors in drafting and preparing Board of Directors
- 13 Manual; Employees Manual; Code of Ethics and conducts

14 6. OTHER

- 15 • Attend EDA meetings and transmit information to Board of Directors
- 16 • Attend OEB online meetings, draw up information notebook, relay
- 17 information to staff, Board of Directors and/or Accountant
- 18 • Attend ESA meetings, draw up information and relay to staff and/or Board
- 19 of Directors
- 20 • Maintain relationship with Shareholder
- 21 • Prepare or oversee the preparation of ESA annual Audit
- 22 • Gather information and assist Accountant for OEB Audit
- 23 • Gather information and assist Consultant for IESO Energy Conservation
- 24 Audit
- 25 • Oversees Energy Conservation program: prepare documentation,
- 26 coordinate delivery of documentation, coordinate delivery of program,
- 27 ensure staff promotes programs, revise clients' qualification to program,
- 28 approve clients as needed
- 29 • Oversees annual visual inspection of Distribution System prepared by
- 30 Administrative Coordinator for ESA
- 31 • Oversees annual underground inspection of Distribution System prepared
- 32 by Administrative Coordinator for ESA
- 33 • Responsible for computerized system maintenance, staff usage of
- 34 software, assure system security.
- 35 • Ensure all staff respect clients' personal information and other regulations
- 36 • Respond to all body related to the Electrical Distribution field
- 37 • All other tasks arising which are not distributed to other staff

- 1 • In the absence of the Administrative Coordinator and/or the Client
- 2 Service Clerk, responsible for all their duties.
- 3

1 **Administrative Coordinator**

2 SUMMARY OF DUTIES

3 Under the Manager Supervision, the Administrative Coordinator is responsible
4 for all billing aspects, prepare reports, serve clients, and coordinate most
5 programs.

6 DUTIES AND RESPONSIBILITIES

7 1. CLIENT SERVICES

- 8 • Prepare and transfer preauthorized payment for the 2 different dates,
9 review and post to clients account once approved by the bank
- 10 • Recover information regarding NSF payments; apply payment reversal to
11 clients account, contact client, apply charge to Harris customer account,
12 communicate the information to Client Services
- 13 • Gather information; prepare reimbursement payment to clients overpaid
14 account; forward payment for signature to Manager; enter data in both
15 Simply 50 and Harris accounts
- 16 • Gather information and transfer credit balance to other account as per
17 client instruction for Harris system
- 18 • Prepare and revise clients budget, contact client for approval, prepare
19 letter for new clients and for revised plan ensuring meeting OEB
20 regulation
- 21 • Revise client security deposit and apply to account at expiration or issue a
22 reimbursement cheque depending on client expressed preference when
23 contacted.
- 24 • Prepare, revise and issue first and last bill
- 25 • Prepare and coordinate distribution of Reminder Notice, 48 hours and
26 Disconnection Notice.
- 27 • Coordinate disconnection and reconnection; enter reconnection fee to
28 clients account if applicable
- 29 • During the non-disconnection months, prepare and send aging letters.
- 30 • In the absence of the Client Services Clerk, gather the information for
31 Move-In and/or Move-Out clients
- 32 • Input the new client's information in Harris system
- 33 • In the absence of the Client Service Clerk, advise clients of needed
34 information to open an account
- 35 • Answer clients request regarding their invoice whether paper or e-billing

- 1 • Assist the Manager in coordination, assessment, awareness of Residential
- 2 and Commercial Energy Conservation Program
- 3 • Attend conference calls for Energy Conservation Programs, attend
- 4 training.
- 5 • Gather and provide information for Energy Conservation Program audits.
- 6 • Collect survey information from clients
- 7 • In the absence of Client Services Clerk, greet clients, receive payment,
- 8 prepare receipts, prepare their OESP application, record move-in/move-
- 9 out documents, awareness of Energy Conservation program available
- 10 • In the absence of Client Services Clerk, answer incoming telephone calls,
- 11 take messages, or assist them with their questions.
- 12 • In the absence of Client Services Clerk, maintain website and Facebook
- 13 site to date
- 14 • Replace Manager on conference calls when needed, take notes and
- 15 submit report to Manager
- 16 • Assist the Manager in emergency event, coordinate emergency if needed,
- 17 prepare reports
- 18 • In the absence of Client Services Clerk, bring deposit to bank, collect mail
- 19 from post office, open mail, date and distribute.
- 20 • Other tasks assigned by Manager

21 2. HUMAN RESOURCE

- 22 • Revise Client Services Clerk work as needed
- 23 • Attend staff training for MFIPPA
- 24 • Attend Cyber Security training and meetings
- 25 • Assist Manager in assessing individual tasks
- 26 • Revise payroll timecards: prepare payroll payments, remit or oversee the
- 27 remittance of Payroll burden

28 3. FINANCIAL RESSOURCES

- 29 • Maintain budget to date
- 30 • In absence of Manager, balance month end data and prepare IESO reports
- 31 • Assist Manager to gather annual data of revenues & OM&A to develop
- 32 the operation budget, the Cost of Service and the Financial Plan
- 33 • Explore all possible financial field to maximize services rendered while
- 34 maintaining the cost of electricity the lowest possible for the clients.
- 35 • Keep Condition of Service at hand for frequent reference
- 36 • Prepare invoices to client
- 37 • Gather information to assist the Manager with monthly reports

- 1 • Assist the Manager with year-end accounting audit and answer Auditors
- 2 questions.
- 3 • Enter Accounts payable invoices in full description as required by Board
- 4 of Directors
- 5 • Assist to prepare monthly and annual accounting reports for the
- 6 Accountant and the Board of Directors
- 7 • Prepare Banks Reconciliation and report to Board of Directors
- 8 • Reconcile the cost of Power against IESO payment
- 9 • Gather and input stats in RRR Quarterly Report – Monthly Arrears,
- 10 Disconnection
- 11 • Assist Manager with OEB RRR reports
- 12 • Reconcile the cost of Power against Hydro One payment
- 13 • Prepare the MicroFit payments and reports
- 14 • Assist the Manager in the preparation of Statistics Canada monthly
- 15 reports
- 16 • Gather the information to assist the Manager with the Cost of Service and
- 17 the Incentive Rate Mechanism
- 18 • Assist the Manager in testing the new price in the Condition of Service
- 19 according to OEB regulations
- 20 • Gather the information to assist the Manager with the Distribution System
- 21 Plan and assist the Manager to set in place the Plan according to OEB
- 22 instructions.
- 23 • Maintain the Management Assets Program

24 4. PROGRAM/SERVICE

- 25 • Assist Manager, attend meetings, gather information regarding Cyber
- 26 Security
- 27 • Assist Manager, attend meetings, prepare awareness and documentation
- 28 for Energy Conservation Programs
- 29 • Prepare monthly invoices for Energy Conservation Programs
- 30 • Coordinate of Underground Maintenance Program
- 31 • Coordinate of Tree Trimming Program
- 32 • Coordinate of Transformer Replacement Program
- 33 • Coordinate of Pole Replacement Program
- 34 • Coordinate of Transformer Fusing Protection Program
- 35 • Coordinate of Locates
- 36 • Gather and prepare MicroFit information to remit payment to clients and
- 37 report to Hydro One

5. ASSISTING BOARD OF DIRECTORS

- Assist Client Services Clerk to gather all information needed for Board of Directors meeting
- Assist Manager to ensure carrying out Board of Directors decisions and instructions
- Assist Manager to coordinate, conduct and oversee projects and programs approved by the Board of Directors
- Prepare and present the Board of Directors with documentation when needed

6. OTHER

- In the absence of Manager attend OEB online meetings, draw up information notebook, relay information to staff, Board of Directors and/or Accountant
- Attend ESA meetings, draw up information and relay to Manager and/or Board of Directors
- Prepare ESA annual Audit
- Gather information and assist Manager for OEB Audit
- Assist Manager to oversee Energy Conservation program: prepare documentation, coordinate delivery of documentation, coordinate delivery of program, ensure staff promotes programs, revise clients' qualification to program, approve clients as needed
- Prepare annual visual inspection of Distribution System for ESA
- Prepare annual underground inspection of Distribution System for ESA
- Assist maintenance and repair of computers, server, printers and scanner
- Participate in putting forth the Disaster Recovery Plan;
- All other tasks assigned by the Manager
- In the absence of the Client Services Clerk, responsible for all those duties.

Client Services Clerk

SUMMARY OF DUTIES

Under the Manager supervision, the Client Services Clerk greets the clients, receive their payments, answer and screen the telephone calls and forward to the appropriate person, is responsible for filing system, is responsible to go to the bank and to the Post Office.

DUTIES AND RESPONSIBILITIES

1. CLIENT SERVICES

- Greet clients, receive their payment, prepare their receipt, answer their inquiry and screen appointments
- Enter client payment in Harris system
- At the end of the day, balance all batches and prepare bank deposit slip and bag
- Prepare clients budget, contact client for approval, prepare letter for new clients and for revised plan ensuring meeting OEB regulation
- Answer telephone calls, screen and forward to the appropriate person
- Follow-up as needed to client's inquiries
- Extract Meter Sense data for clients as needed
- Register client deposit and transaction to their account in Harris system
- Revise Accounts Receivable list by entering payments
- Manage and balance petty cash
- Filing all files, invoices and correspondence
- Prepare all letters for clients as follow but not limited to client reference letters, budget letters, sale of property, transaction by lawyers
- Write letter to obtain missing information to client profile
- Class client cheque and stamp them
- Gather requested information
- Open new file for all move-in clients, complete the information needed for both the client that is leaving and the on moving-in, contact the lawyer, follow-up, take a copy of the drivers' license
- Create new clients account in Harris system, take special notes, gather additional information available
- Setup e-billing accounts, answer client's questions regarding e-billing
- Maintain and add new events to month calendar showing meetings, conferences, vacations, and other as needed

- 1 • Type the Board of Directors meeting minutes from the recording, prepare
- 2 the agenda and attach the needed paperwork
- 3 • Pick-up the mail at the Post Office
- 4 • Bring the deposit to the bank
- 5 • Assist the Administrative Coordinator to make telephone calls and
- 6 delivering of 48 Hours
- 7 • Create, add new information to Hydro 2000 Inc website and Facebook site
- 8 • Learn of the work with Joomla and Facebook
- 9 • Regular communication with Manager and Administrative Coordinator
- 10 • Promote Energy Conservation Program to clients
- 11 • Promote surveys to clients
- 12 • Gather clients Energy Conservation Program paper application and enter
- 13 in system
- 14 • Gather clients Survey paper application and enter in system
- 15 • Gather information and assist client in OESP application
- 16 • Training and maintenance of computer and software; coordinate work
- 17 with contractor
- 18 • Sage 50: enter deposit batches, return payments, security deposit,
- 19 reimbursement to clients, purchasing detailed invoices and payment to be
- 20 return to bank
- 21 • Send fax to bank indicating payment to be return that are not our clients.
- 22 • Prepare and order office supplies
- 23 • Assist Manager with yearend, prepare necessary reports, ensure
- 24 everything is ready and available for audits.
- 25 • Answer clients request regarding their invoice whether paper or e-billing
- 26 • Transfer telephone system at night to answering service
- 27 • Close Interact batch and balance
- 28 • Set alarm system
- 29 • Other tasks assigned by Manager

30 2. MATERIAL RESOURCE

- 31 • Responsible to assure confidentiality of all documents in their possession
- 32 • Responsible to maintain the office in good order
- 33 • Gather the recycling and the garbage and put at road for collection
- 34 • Assist the Manager as needed

35 3. PROGRAM/SERVICE

- 36 • Assist Manager in establishing Cyber Security

- 1 • Assist Manager in establishing awareness and documentation for Energy
- 2 Conservation Programs
- 3 • Assist the Manager in preparing of all accommodation for planned Power
- 4 Outage
- 5 • Assist the Manager in case of Power Outage

6 4. ASSISTING BOARD OF DIRECTORS

- 7 • Assist Client Services Clerk to gather all information needed for Board of
- 8 Directors meeting
- 9 • Assist Manager to ensure carrying out Board of Directors decisions and
- 10 instructions
- 11 • Assist Manager to coordinate, conduct and oversee projects and
- 12 programs approved by the Board of Directors
- 13 • Prepare and present the Board of Directors with documentation when
- 14 needed

15 5. OTHER

- 16 • Gather information and assist Manager for OEB Audit
- 17 • Assist Manager to oversee Energy Conservation program: prepare
- 18 documentation, coordinate delivery of documentation, coordinate
- 19 delivery of program, ensure staff promotes programs, revise clients'
- 20 qualification to program, approve clients as needed
- 21 • Assist maintenance and repair of computers, server, printers and scanner
- 22 • Participate in putting forth the Disaster Recovery Plan;
- 23 • All other tasks assigned by the Manager
- 24

1 **Compensation – Non-Union/Union**

2 None of the employees of the utility are union employees. The compensation levels are
3 reviewed by the general manager and the Board of Directors.¹⁰¹¹¹²

4 **Pension and Benefits**

5 Table 19 - OEB Appendix 2-K – Employee Compensation below shows employee
6 compensation from 2012BA to 2020. The number of employees is based on the compensation
7 of the number of full-time equivalent (FTE) positions throughout each of the fiscal years.

8 A detailed summary of benefit program costs is presented in Table 20 - Benefit Expenses. Total
9 benefits have decreased 5.62% between the 2012 Actual and 2020 Test Years as a result of
10 statutory rate increases and wage increases. The increase in benefits in line with the increase in
11 wages and the fact that the utility now operates with two management position.

12

¹⁰ Description of previous and proposed workforce plans, including compensation strategy

¹¹ MFR - Details of employee benefit programs including pensions for last OEB approved, historical, bridge and test; must agree with tax section

¹² MFR - Discussion of the outcomes of previous plans and how those outcomes have impacted their proposed plans including an explanation of the reasons for all material changes to headcount and compensation. Explanation for all years includes:

- year over year variances
- basis for performance pay, eligible employee groups, goals, measures, and review process for pay-for-performance plans,
- relevant studies (e.g. compensation benchmarking)

1

Table 19 - OEB Appendix 2-K – Employee Compensation¹³

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of Employees (FTEs including Part-Time)¹									
Management (including executive)	1	1	1	1	0	1	1	1	1
Non-Management (union and non-union)	3	2	2	2	3	2	2	2	2
Total	4	3	3	3	3	3	3	3	3
Total Salary and Wages including overtime and incentive pay									
Management (including executive)									
Non-Management (union and non-union)	\$163,127	\$164,979	\$167,579	\$174,106	\$149,160	\$105,075	\$118,989	\$143,537	\$138,542
Total	\$163,127	\$164,979	\$167,579	\$174,106	\$149,160	\$105,075	\$118,989	\$143,537	\$138,542
Total Benefits (Current + Accrued) -									
Management (including executive)									
Non-Management (union and non-union)	\$12,274	\$12,277	\$10,941	\$13,015	\$10,099	\$12,430	\$10,778	\$10,372	\$11,584
Total	\$12,274	\$12,277	\$10,941	\$13,015	\$10,099	\$12,430	\$10,778	\$10,372	\$11,584
Total Compensation (Salary, Wages, & Benefits)									
Management (including executive)									
Non-Management (union and non-union)	\$175,400	\$177,256	\$178,520	\$187,121	\$159,259	\$117,506	\$129,767	\$153,909	\$150,126
Total	\$175,400	\$177,256	\$178,520	\$187,121	\$159,259	\$117,506	\$129,767	\$153,909	\$150,126

2

Table 20 - Benefit Expenses

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Benefit	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Bridge	Test
Statutory									
CPP	5,648.45	5,406.99	4,721.97	5,934.19	6,041.64	5,008.00	5,442.28	5,960.10	6,573.00
EI	3,181.22	3,336.45	3,132.17	3,276.57	3,642.41	2,688.70	2,767.93	1,876.06	1,866.00
WSIB	1,767.38	1,805.13	1,573.87	1,932.87	415.16	1,905.36	1,287.95	1,259.00	1,345.00
Total Statutory	10,597.05	10,548.57	9,428.01	11,143.63	10,099.21	9,602.06	9,498.16	9,095.16	9,784.00
Company									
DPSP									
Health - EHT	1,676.85	1,728.19	1,513.06	1,870.98	-	2,828.35	1,280.17	1,277.00	1,800.00
Total Company	1,676.85	1,728.19	1,513.06	1,870.98	-	2,828.35	1,280.17	1,277.00	1,800.00
Total Benefit Costs	12,273.90	12,276.76	10,941.07	13,014.61	10,099.21	12,430.41	10,778.33	10,372.16	11,584.00

¹³ MFR - Employee Compensation - completed Appendix 2-K

Because Hydro 2000 does not participate in the OMERS retirement plan, Appendix 2-KA OPEBs (Other Post-Employment Benefits) Costs¹⁴ and an Actuarial Report¹⁵ are not applicable.

Staffing and Compensation Strategy

Finding qualified staff in smaller rural areas can be challenging, therefore, similar to other smaller utilities Hydro 2000 prefers to invest time and energy in training its existing employees rather than hiring skilled workers.

In doing so Hydro 2000 must also balance reliance on third party contractors and use its workforce to its best advantage for the customer and community. The utility evaluates on a yearly basis its agreements with its consultants and contractors to ensure that they are the best option possible for the utility.

Hydro 2000 does not use specific benchmarking studies to determine salary ranges. That said, Hydro 2000 and its shareholder are aware of the salary ranges in neighbouring utilities and use the neighbouring salaries as a guideline.

Periodically, the utility's Board of Director along with management input will readjust employee salary to be in line with its neighbouring cohorts, however, as a rule, the utility tries to apply and the inflation factor of 2% to salaries and wages. It is also important to note that as existing staff gain training and expertise, management may choose to increase salaries according to new qualifications.

The salaries and wage amounts include all salaries and wages paid, inclusive of overtime, vacations, float holidays, sick leave, bereavement leave, union meetings and other miscellaneous paid leave. The benefit amounts include the employer's portion of statutory benefits (CPP and EI), employer contributions to EHT, WSIB, and Hydro 2000's costs for providing extended health care, dental, long-term disability, life insurance and the Employee Assistance Program.

Employee Staffing Levels:

¹⁴ MFR - Completed Appendix 2-KA - accounting method for pension and OPEBs

¹⁵ MFR - Most recent actuarial report on employee benefits, pension and OPEBs

1 Although Hydro 2000 has had several individuals occupy the position of General Manger since
2 it's last Cost of Service, the level of staffing has not changed. There are no anticipated staffing
3 increases for the 2020 Test Year.

4 **Succession and Talent Management:**

5 Hydro 2000 recognizes that it was ill prepared for the 2 turnovers in managerial staff over the
6 past 3 years. As explained in the above section, finding qualified staff in smaller rural areas can
7 be challenging; therefore, similar to other smaller utilities, Hydro 2000 prefers to invest time and
8 energy in training its existing employees rather than hiring skilled workers.

9 In an effort to be more proactive, the new manager and staff have prepared a Succession and
10 Talent Management Plan presented at the next page.



SUCCESSION AND TALENT MANAGEMENT PLAN 2019

Hydro 2000 Inc.

Tandem Energy Services
manuela@tandemenergyservices.ca

Succession and Talent Management Plan 2019

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4. Roles of Constituencies
5. Internal and External Communication Plan

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- A. General Manager Position Description
- B. General Manager Core Competencies
- C. Information for Candidates
- D. Sample Interview Questions

1. Executive Summary

This document was developed in collaboration with Hydro Hawkesbury, Cooperative Hydro Embrun, Hearst Power Distribution and Chapleau Hydro Inc. In today's competitive labour market, electricity distributors are paying very close attention to how they manage their human capital. The loss of experience that is preparing to retire and walk out the door, the overall shortage of talented leaders, the need to engage and retain high-potential employees at every level of the organization, and an environment which demands that businesses continually do more with less, all combine to make Succession Planning and Talent Management an organizational priority. Building and enhancing employee potential will not only benefit employees, but it will also support the organization in meeting its strategic goals and objectives and encourage a culture of customer-centric excellence.

Succession Planning and Talent Management has grown significantly in recent years as more and more organizations have recognized the value of aligning workforce and human capital planning with business strategy. A systematic approach to the alignment of human capital with the business needs can ensure the future viability of an organization. No matter how comprehensive a business plan is, if an organization does not have the workforce to support it, it is unlikely to achieve its business objectives.

Overall the risk to Hydro 2000 is considerable given the job types that will be affected and its ability to hire. That said, Hydro 2000's is of the mind that continuous alignment to Hydro 2000's Business Plan is key to a successful workforce planning. Knowing where the business is headed – and how it's organized – is the only way to understand the future demands on employees and leaders.

Hydro 2000 continually reviews its business and operational goals against its workforce needs, its financial strength, and the impact on its customers. Hydro 2000 also recognizes the importance and value of maintaining a highly skilled and engaged workforce, where all employees are customer-focused and proud to work for the company.

An integrated approach to Succession Planning and Talent Management recognizes the interweaving of human resource strategies and practices with the organization's strategic goals and business results. Hydro 2000 continues to develop its human resources practices to prepare the organization to respond to current and future workforce challenges.

2. Succession Plan Steps

1. Determine What is Wanted - Review and update Core Competencies and Position Description
2. Develop Within What is Wanted - Determine Key Leaders within the organization for potential development:
 - 2.1. Identify those who may have General Manager potential.
 - 2.2. Develop skills and experience for those with General Manager potential
 - 2.2.1. Exposure to the Board: have the candidate attend and run the updates to the Board of Director meetings
 - 2.2.2. Coach/Mentor: Have the candidate shadow the outgoing General Manager. (onboarding)
 - 2.2.3. Industry experience: Provide candidate with opportunities to challenge him or herself with real industry experience (IRM applications/Cost of Service/RRR filing/going out in the field to shadow operation work).
 - 2.2.4. Higher Continuing education: Send candidate for training in an effort to gain industry experience.
3. Prepare for The Unexpected - Determine interim leadership for unplanned absences
4. Partnerships and Collaborations - Consider potential affiliations in addition to searching for new General Manager
5. Appoint Search Committee - Board appoints Personnel Committee as ad hoc Search Committee with defined authority/responsibilities

6. Conduct Search

6.1. Recruitment Strategy

- ✓ Hire a search firm or use a Board-managed process
- ✓ Search internally, externally or both
- ✓ Review and update General Manager Position Description
- ✓ Review and update General Manager Salary Range and Benefit Package
- ✓ Develop a timeline for the search
- ✓ Determine if interim appointment needed

7. Incoming General Manager Successor -

- 7.1. Orientation: The outgoing General Manager and Board of Director will provide an orientation session for the incoming General Manager
- 7.2. Mentoring/coaching: ensure adequate overlap (onboarding) of duties so that the incoming General Manager can shadow the outgoing General Manager for a period of time.
- 7.3. Performance review process: The incoming General Manager should be provided with feedback from both the outgoing General Manager and Board of Director.

3. Benefits of a Talent Management Strategy

In the past, the electricity sector has generally benefited from its ability to attract young talent. Additionally, once employed in the sector, workers tended to remain in the sector throughout their careers. Today these conditions are changing. Competition for staff from within the utility industry is coming from small but growing independent power producers, as well as organizations outside the electricity industry. As a result of these changes, talented younger workers have

considerably more career choices. Concurrently as employees who are eligible to retire leave Hydro 2000, it is faced with recruiting employees coming out of the education system value personal time, flexibility, paid time off, and cross-training opportunities more than the promise of a pension after thirty years of service.

An attractive alternative to hiring externally is to identify and develop internal talent. Organizations that effectively manage their ability provide benefits to the employee and to the customers whom the organization serves. The basis of Talent Management is to attract, retain and engage its current talents.

7.4. Attracting Employees

Hydro 2000 believes in a collaborative approach to employee coaching and building the employee/manager relationship. In its effort to make Hydro 2000 an attractive place to work, Hydro 2000 plans on reviewing and enhancing its training criteria to ensure sufficient focus is placed on the importance of the employee/manager relationship. It shall also consider, and determine which model provides both internal and external support to managers, relative to their positions and the needs of the organization.

7.5. Retaining Employees

Hydro 2000 continues its focus on enhancing the employee experience while meeting the needs of the customer. High levels of employee engagement in an organization are linked to superior business performance, including increased employee retention & profitability, customer excellence, and safety performance.

Hydro 2000 commits to getting feedback from its employees on the current state of the workforce, relative to its engagement and concerns. The results of the feedback will provide Hydro 2000 with reasonable action plans to gauge success and continued and new areas of focus.

7.6. Engaging Employees

Hydro 2000 recognizes the strategic advantages of successfully engaging its employees, bringing them into the organization, making sure they know what is

expected of them, making sure they understand how they are going to add value, and making sure they know how they fit into its culture and business.

Hydro 2000 shall develop and execute a long-term strategic employee engagement plan that links with the organization's business objectives and its performance management system; that exemplifies its employment brand and company mission and is aligned to its leadership training programs for management staff.

The outcomes associated with integrated talent management are:

- ✓ Supports effective Workforce Planning
- ✓ Assists organizational development of talent
- ✓ More affluent career development and mapping
- ✓ Supports business continuity
- ✓ Focuses on customer service excellence
- ✓ Supports employee engagement efforts
- ✓ Aligns employees with organizational goals

4. Role of Constituencies

1. Board of Directors

- 1.1. Owns the process and is responsible for the successful appointment and transition of the new General Manager
- 1.2. Periodically reviews with the General Manager the General Manager Succession Plan
- 1.3. Periodically reviews with the General Manager the organization's leadership pipeline

2. Outgoing General Manager

- 2.1. Provides input and support to the succession process, as requested

- 2.2. Working with the Personnel Committee of the Board of Directors periodically updates the General Manager Succession Plan
 - 2.3. Develops the leadership pipeline
- 3. Existing Staff and 3rd party regulatory support
 - 3.1. Aware of General Manager Core Competencies
 - 3.2. Aware of General Manager Position Description
 - 3.3. Work toward full qualification
- 4. Stakeholders
 - 4.1. 4.1. Includes customers, staff, shareholder, debt holder, and regulatory bodies
 - 4.2. 4.2. Aware of process and progress

5. Communication Strategy - Review, update and implement Internal and External Communication Plan

Hydro 2000 believes that the Succession and Talent Management plan is a living document and as such should be reviewed and updated as part of the business plan on a yearly basis.

Appendix A - General Manager Position Description

Specifically, the General Manager will be responsible for:

- The general supervision of the business and affairs of the utility and the performance of the Utility by directing and coordinating all activities in accordance with Ontario Energy Board regulations for LDCs, in addition to the laws and regulations governing the operation of a corporation in Ontario
- Completing, with the Board, a clear delineation of duties and responsibilities, and once established create a CEO performance contract
- Learning and understanding the business, its line of products and services, its competitive environment, and its employees to remain successful in offering customers a level of service and product quality that differentiates the utility from the competition
- Working with an engaged and articulate Board of Directors to further the mandate of the Utility
- Explore, assess and recommend to the Board new unregulated and regulated business ventures that fit within the Utility's risk profile and contribute to the long-term sustainability of the business; balance core business demands with new revenue and profit-generating opportunities.
- Examining the capital structure of the Utility and leveraging the available capital through appropriate strategies to maximize returns for growth and shareholder dividends.
- Ensuring the Utility operates in a responsible environment with due regard to the environmental footprint and public and employee safety
- Providing the appropriate level of engagement of the sole Shareholder through transparent information flow to members of the utility.
- Developing with the collaboration of the Boards Vision, Mission, Value Statement, and actionable Strategic Plan within the inaugural year and developing supporting business development plans to suit.
- Overseeing company operations to ensure compliance, production efficiency, accuracy, quality, service and the cost-effective management of resources
- Develop a comprehensive, inclusive, and transparent process of operational planning designed to meet strategic priorities established by the Board/changing needs in the electricity sector

- Manage and motivate a team of staff to support and further the Utility's mission and to provide staff members the opportunity to develop their skills and competencies further.
- Maintaining an excellent relationship and playing an active role in interacting with all stakeholders of the utility as well as the broader public
- Working with other like-minded utilities, potential business partners and businesses to achieve common goals and expand/explore business opportunities
- Taking on and accepting accountability for assigned business unit P&L management, and,
- Gaining stability in the business.

Appendix B - General Manager Core Competencies

- 10+ years of progressive management experience in executive leadership positions
- University Degree or equivalent in Business Administration or Finance.
- Fully bilingual in French and English in both written and spoken.
- Strong track record managing the bottom-line of business-to-business or business-to-consumer services organizations
- Experience managing within both, highly regulated and non-regulated industry sectors; knowledge of the electricity/power sector would also be an asset
- Experience leading a government-owned entity would be ideal
- Expertise in leading organizations and their governing bodies/owners through significant change and transformation
- Demonstrated operational understanding of the work of an organization that serves multiple stakeholders; often with differing priorities and needs
- Experience sourcing, assessing, recommending, and commercializing regulated or non-regulated business opportunities would be a solid asset
- An ability to operate effectively at both a strategic and tactical level; is able to roll up their sleeves and, with a strong technical foundation, participate in execution when necessary; can effectively balance delegation with participation
- Superior qualitative and quantitative analytical skills and judgment; looks for new opportunities and employs good judgment and rigor before making recommendations; can create a framework that grants decision-making authority while holding people accountable
- Strong operational leadership experience combined with solid business acumen; has developed financial management skills and P&L operating knowledge as well as experience working with ROI models, can help embed these disciplines across the organization and promote better decision making
- Knowledge of governance responsibilities and practices
- Experience working with a Board of Directors would be an asset
- Takes responsibility and likes to be held accountable for results
- A humble, confident and curious professional who can respectfully stand their ground in making and defending recommendations
- Tenacious and resilient in working towards meeting objectives and encouraging others to deliver results

- Nimble; able to deal with ambiguity; can take and encourage others to take educated risks
- Entrepreneurial spirit with a keen interest in being part of a growing business striving to be the best in its industry; enjoys walking the floor and interacting with employees; projects a 'down-to-earth' and engaging manner; enthusiastic with a positive attitude
- Open, honest and respectful; will embrace the Utility's values and collaborative working environment
- Customer-focused

Appendix C - Sample Interview Questions

The following questions are organized around the General Manager Core Competencies (Appendix B) and are designed to elicit specific examples of how General Manager candidates demonstrate their competencies. The organization provided here is to a certain extent contrived, and answers to questions might easily provide clues to more than one Competency. Of course, these questions may lead to naturally occurring follow- up questions.

PERSONAL

- Tell us about yourself. Describe your professional career and those factors that relate to the leadership position of this organization.
- What accomplishments would you point to in your present position? Which has given you the greatest satisfaction? Why?
- What do you see as the probable length of your commitment to this organization?
- What does our Mission Statement mean to you?
- What needs to happen over the next five years for you to feel good about those years?
- Describe your experience in managing and improving services for customers.
- What do you get passionate about, what really gets you excited?
- Give us an example of when you went above and beyond for a customer. What did you do? What prompted you to take this action? What was the outcome?

MATURITY AND INTEGRITY

- What do you see as your strengths? Why should we hire you for this position?
- What are your weaknesses?
- It is said we learn the most from our failures. What has been a recent "learning" experience? [Bad Decision]
- How would those who work for you describe your management style and philosophy? If they could change something about you, what would they change?

VISION AND STRATEGIC THINKING:

- You have had an opportunity to review our Board Directives (business plan); what skills and abilities do you bring to help us accomplish the plan?
- What aspects of the position would you find most challenging or of greatest concern? (or: If you are selected for the General Manager position, what do you expect to be your greatest initial challenge? After six months? In the second year?)
- Describe your experience in long-range strategic planning.
- Describe your experience in coalition building with other organizations.
- Describe your experience in public policy.
- What do you think is the most important public policy issue facing our organization over the next few years?
- Share with us an idea you have for further developing our mission to serve the customers.

INTERPERSONAL

- Tell us about a time when your team accomplished a major objective, but one particular individual performed extraordinarily well and went above and beyond efforts of the rest of the team. What did you do to recognize the achievement?
- How do you adjust your style when interacting with people from different levels within the organization? Give me an example of a time you did things differently due to the varying levels of people involved.

WRITTEN AND VERBAL COMMUNICATION SKILLS:

- Tell us about a time when it was important for you to communicate about the mission of the organization to a specific constituency. Who was the constituency, what was the situation, how did you approach the communication, and how did it turn out?

LEADERSHIP:

- Are there mentors who helped you in your career? What did you learn from them?
- Why does the General Manager position interest you?
- Describe your experience and knowledge in Board relations.
- What do you think makes a good Board?
- Describe how you would work with the Board.
- What is your method of delegation, and how do you assure accountability of the delegated functions to your subordinates?
- How do you keep abreast of changes in the industry?
- Have you ever actively partnered with others toward a common goal? Tell us about it. How did it turn out?

BUSINESS

- Describe your experience in financing.
- Describe your experience in electricity or similar industry/.
- What are the keys to operating a successful business?
- Give a specific example of when you said "no" and saved significant dollars.
- Have you ever had to close or sell off a business? Tell us about it.

ORGANIZATION SKILLS AND SPECIALIZED KNOWLEDGE:

- What technique do you use in team building? How would you go about developing a robust internal organization?
- Give an example of a situation that required careful or extensive planning. How did you approach the development of the plan? How did the execution of the plan go?
- Describe a time when you felt overloaded with work tasks. How did you deal with the situation? What was the outcome?
- Have you ever started/acquired a business? If so, tell us about it. How did it turn out?

- Tell us about your experience in a particularly challenging situation, and give us an explanation of how you handled the situation.

4.5 SHARED SERVICES & CORPORATE COST ALLOCATION

Hydro 2000 does not have any affiliates and as such is not subject to shared services or corporate cost allocation^{16 17} Appendix 2-N is not applicable in Hydro 2000's case. Therefore, the Appendix was not populated^{18 19 20} 4.5

¹⁶ MFR - Identification of all shared services among affiliates and parent company; identification of the extent to which the applicant is a "virtual utility"

¹⁷ MFR - Allocation methodology for corporate and shared services, list of costs and allocators, including any third party review

¹⁸ MFR - Completed Appendix 2-N for service provided or received for historical, bridge and test; including reconciliation with revenue included in Other Revenue

¹⁹ MFR - Shared Service and Corporate Cost Variance analysis - test year vs last OEB approved and most recent actual

²⁰ MFR - Identification of any Board of Director costs for affiliates included in LDC costs

4.6 PURCHASES OF NON- AFFILIATE SERVICES, ONE TIME COST, REGULATORY COSTS

4.6.1 NON-AFFILIATE SERVICES

Hydro 2000 purchases equipment, materials, and services in a cost-effective manner with full consideration given to price as well as product quality, the ability to deliver on time, reliability, compliance with engineering specifications and quality of service. Vendors are screened to ensure knowledge, reputation, and the capability to meet Hydro 2000's needs. The procurement of goods and services for Hydro 2000 is carried out with highest of ethical standards and consideration to the public nature of the expenditures.

Purchase Authorization: The General Manager, with the input for expenses outside the budget, from the board members, approves all purchases of goods and services.

Tendering: When goods or services are tendered, a Tender/Request for Proposal/Request for Quote will be issued to a minimum of three vendors, if availability permits. Once again, the General Manager, along with the input of the board members, shall authorize the acceptance of all external costs and contracts.

Although tendering processes provide essential information to potential suppliers and ensure a fair chance for businesses, the tendering process is not always possible in small towns where there is a limited supply of skilled services that can provide support to utilities. The utility's written procurement policy is presented at Appendix D²¹ however as described above, the General Manager, with the input of board members, approves all purchases of goods and services.

Hydro One, IESO, and Sproule have consistent yearly transactions, some in excess of the materiality threshold of \$50,000. Some of these specific suppliers offer services that are not commonly found in the service area or general surrounding area or offer efficiencies due to their

²¹ Purchased Non-Affiliated Services - file a copy of procurement policy (signing authority, tendering process, non-affiliate service purchase compliance)

intimate knowledge of Hydro 2000's distribution system or the industry.²² Hydro 2000's Procurement Policy is presented in Appendix D of this Exhibit. The document identifies signing authority, tendering process, non-affiliated service purchase compliance, emergency purchases and purchases without a competitive tender.

4.6.2 ONE TIME COSTS

There is only one noteworthy one-time cost included in the Test Year that warrant an explanation which is the costs associated with the Cost of Service application. In compliance with policy and requirements, the costs are being amortized over a period of 5 years. Regulatory Costs, which are explained in detail in the next section, include costs related to the Distribution System Plan. These costs apply to the 2020 Test Year.²³

With the exception of Regulatory Costs, all other costs presented in the OM&A are considered regular year over year expenses.

4.6.3 REGULATORY COSTS

Hydro 2000's Regulatory Costs include three major components. The first being costs related to the filing of the herein application the second is the yearly contract with Tandem Energy Services for assistance in regulatory services; and the third is the OEB assessment costs.

The costs related to Cost of Service application include costs of having an Engineering firm develop the Distribution System Plan, legal review, external accounting fees related to populating the PILs model and reviewing balances in the deferral and variance accounts.

The regulatory costs proposed in this application does not include provisions for legal fees related to an Oral Hearing. If the parties are unable to reach a full settlement, Hydro 2000 reserves the right to add Oral Hearing costs to the total OM&A for the test year. All regulatory

²² For material transactions that are not in compliance with procurement policy, or that were undertaken pursuant to exceptions contemplated within the policy, an explanation as to why as well as a summary of the nature and cost of the product, and a description of the specific methodology used for selecting the vendor

²³ Identification of one-time costs in historical, bridge, test; explanation of cost recovery in test (or future years)

costs listed below are tracked in account 5655 – Regulatory Expenses. Costs directly associated with the Cost of Service application are amortized over a period of 5 years (2020-2025).

Table 21 - Regulatory Costs specific to the 2020 Cost of Service

Regulatory Costs	
<i>AESI (DSP)</i>	\$25,000.00
<i>Deloitte (PILs + DVAs + IRs)</i>	\$30,000.00
<i>Production & Submission (Print)</i>	\$1,000.00
<i>Public Notice (OEB)</i>	\$1,000.00
<i>Legal - Review, IR, Settlement, DRO</i>	\$12,000.00
<i>Legal - IR/Settlement</i>	\$10,000.00
<i>Intervenor costs</i>	\$20,000.00
<i>Overtime related to Cost o Service</i>	\$8,000.00
<i>Travel to Settlement Conf Costs</i>	\$1,000.00
<i>Stantec Load Flow Study</i>	\$15,000.00
<i>Total Cost of Service Filing costs</i>	\$123,000.00
	2020
<i>Cost of Service 1/5 per year</i>	\$24,600.00
<i>Cyber Security (29,600/5)</i>	\$5,920

Table 21 - Regulatory Costs specific to the 2020 Cost of Service above shows a breakdown of average costs for the Cost of Service. Table 22 – OEB Appendix 2-M Regulatory Costs on the next page shows Appendix 2-M which details regulatory costs for five historical years, bridge and test year. ²⁴

²⁴ Regulatory costs - breakdown of actual and forecast, supporting information related to CoS application, proposed recovery (i.e. amortized?).

Table 22 – OEB Appendix 2-M Regulatory Costs²⁵

	Regulatory Cost Category	USoA Account	Ongoing or One-time Cost?	Last Rebasement Year Board Approved	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	OEB Annual Assessment	5655	On-Going	\$5,375	\$2,204	\$2,321	\$2,558	\$3,125	\$2,588	\$7,151	\$5,413	\$5,453	\$5,448
2	OEB Section 30 Costs (Applicant-originated)	5655	One-Time			\$58,455	\$38,843	\$38,843	\$19,422				
3	OEB Section 30 Costs (OEB-initiated)												
4	Expert Witness costs for regulatory matters												
5	Legal costs for regulatory matters												
6	Consultants' costs for regulatory matters	5655	On-Going	\$40,000	\$17,973	\$2,262	\$7,037	\$22,525	\$2,271	\$17,584	\$7,137	\$33,099	\$24,600
7	Operating expenses associated with staff resources allocated to regulatory matters	5655	On-Going	\$27,000	\$513				\$15,000	\$30,000	\$30,000	\$30,000	\$30,000
8	Operating expenses associated with other resources allocated to regulatory matters	5655	One-Time			\$690	\$306	\$250	\$716	\$7,350			
9	Other regulatory agency fees or assessments	5655	On-Going		\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
10	Any other costs for regulatory matters Cyber Security	5655	On-Going					-\$2,200				\$290	\$5,920
11	Intervenor costs												
12	Sub-total - Ongoing Costs			\$0	\$0	\$59,145	\$39,150	\$39,093	\$20,137	\$7,350	\$0	\$0	\$0
13	Sub-total - One-time Costs			\$72,375	\$21,491	\$5,383	\$10,395	\$24,250	\$20,659	\$55,535	\$43,350	\$69,642	\$66,768
14	Total			\$72,375	\$21,491	\$64,528	\$49,545	\$63,343	\$40,796	\$62,885	\$43,350	\$69,642	\$66,768
	<i>Integrity Check</i>				21491	64528	49545	63343	40796	56885	43351	69641	66768

²⁵ MFR - Completed Appendix 2-M

4.6.4 BAD DEBT

Hydro 2000 deems it important to explain the variances in its Bad Debt Expenses ranging from \$29K in 2014 to \$5k in 2013. Please note that the explanation below is determined by Deloitte and Hydro 2000 and compliant with IRFS rules.

Table 23 – Bad Debt reported in Account 5335

	2012	2013	2014	2015	2016	2017	2018	2019
<i>Opening Provision for Bad Debt - 1130</i>	(16,253.61)	(14,554.69)	(5,618.84)	(21,163.91)	(29,110.96)	(23,176.95)	(9,718.32)	(18,570.47)
<i>Write-offs</i>	16,404.11	11,646.26	5,134.04	21,512.64	25,900.95	33,855.65	(674.91)	
<i>Bad Debt 5335</i>	(14,705.19)	(2,710.41)	(20,679.11)	(29,459.69)	(19,966.94)	(20,397.02)	(8,177.24)	
<i>Provision à la fin - 1130</i>	(14,554.69)	(5,618.84)	(21,163.91)	(29,110.96)	(23,176.95)	(9,718.32)	(18,570.47)	(18,570.47)

Under IFRS accounting rules, all direct account write-offs would be treated with a:

- DR Allowance for doubtful accounts
- CR Accounts receivable

Therefore, the accounts that are deemed uncollectible have been written off and are excluded from the AR subledger as at December 31, 2018.

Overall, the allowance is reasonable in comparison to the prior year. It is reasonable to assume that the allowance would have increased given that there are a number of older, larger receivable balances and also as a result of the inability to disconnect during the winter months.

The bad debt expense reported in account 5335 for 2017 is lower compared to the prior year.

Under the Allowance Method, if a specific customer's accounts receivable is identified as uncollectible, it is written off by removing the amount from Accounts Receivable. The entry to write off a bad account affects only balance sheet accounts, a debit to Allowance for Doubtful Accounts and a credit to Accounts Receivable. No expense or loss is reported on the income statement because this write-off is "covered" under the earlier adjusting entries for estimated bad debts expense.

4.7 LEAP, CHARTIABLE & POLITICAL DONATIONS

Hydro 2000 has included \$2,000 for the Low-Income Assistance Program (LEAP) under Deductions Donation Expense-LEAP (USoA #6205).

As of 2016 Hydro 2000 no longer donates to charities other than the LEAP Donations.

Hydro 2000 has partnered with United Way Centraide Prescott-Russell to assist in a program intended to provide emergency relief to eligible low-income customers who may be having trouble paying current arrears to be our lead agency.

The United Way Centraide Prescott-Russell will pre-screen customers to see if they meet the household low-income criteria, and other eligibility requirements, including if the customer is in threat of disconnection for non-payment.

Hydro 2000 has a policy in place where donations are made primarily to charities or local groups that service residents in its service areas. Hydro 2000 confirms that no charitable donations have been included in OM&A expenses for 2020 other than the \$2,000 for LEAP funding. ²⁶²⁷²⁸

In compliance with OEB policy, Hydro 2000:

1. Collects money from ratepayers for LEAP EFA in the amount approved by the OEB as part of the recoverable OM&A expenses;
2. Transfers program funds to United Way Centraide Prescott-Russell;
3. Allows United Way Centraide Prescott-Russell to determine funding allocations within their service territory by geography;
4. Receives a monthly report from the United Way Centraide Prescott-Russell agency showing the disbursements and balance of the LEAP funds remaining.

²⁶ MFR - LEAP - the greater of 0% of forecasted service revenue requirement or \$0 should be included in OM&A and recovered from all rate classes

²⁷ MFR - Detailed information for all contributions that are claimed for recovery

²⁸ MFR - Charitable Donations - the applicant must confirm that no political contributions have been included for recovery

5. Leaves the assessment of eligibility of Hydro 2000 customers and records to United Way Centraide Prescott-Russell;
6. Confirms customer and account information used in determining program eligibility, including information on payment history and arrears owing; and
7. Reports to the OEB in accordance with OEB reporting requirements through filings 2.1.16 which are presented in the table below:

Table 24 – 2012-2019 Leap funding as per 2.1.16 RRR

<i>Year</i>	Leap fund received Distributor	Agency administration and program delivery	Grants to distributor customers	Total grants disbursed	Total funds disbursed	Customer	Avg. grant per accepted applicant	Overall Avg.
2012	1739.13		1739.13	1739.13	1739.13	4	434.78	434.78
2013	1739.13		1739.13	1739.13	1739.13	3	579.71	579.71
2014	1739.13		1739.13	1739.13	1739.13	3	579.71	579.71
2015	2000.00		2000.00	2000.00	2000.00	3	666.67	666.67
2016	2000.00		2000.00	2000.00	2000.00	5	400.00	400.00
2017	2000.00		2000.00	2000.00	2000.00	5	400.00	400.00
2018	2000.00		2000.00	2000.00	2000.00	3	566.67	566.67
2012	1739.13		1739.13	1739.13	1739.13	4	434.78	434.78
2013	1739.13		1739.13	1739.13	1739.13	3	579.71	579.71

4.8 DEPRECIATION, AMORTIZATION, AND DEPLETION

4.8.1 FILING REQUIREMENTS APPLICABLE TO HYDRO 2000

Hydro 2000 confirms that it adopted the new depreciation rates in 2013 (NewCGAAP or Revised CGAAP) and officially adopted MIFRS in 2014.

The following section confirms that applicable depreciation requirements for Hydro 2000.

1) For the transition year (2013), the applicant may file two appendices, one under Revised CGAAP and one under MIFRS, depending on the materiality of impacts. See the specific instructions under each appendix below for further details.

The above requirement is applicable in Hydro 2000's case and as such, depreciation continuity schedules are presented in both CGAAP and MIFRS.

2) For applicants that are reflecting accounting policy changes for the first time in a rebasing application, the applicant must file two appendices in the year that the applicant implemented changes to its capitalization and depreciation policies (2012 or 2013), one before and one after the policy changes.

Hydro 2000 confirms that it has filed 2013 and 2014 in both CGAAP and NewCGAAP.

3) Applicants should provide CGAAP and Revised CGAAP schedules (i.e., as indicated in the first two columns of the above table) to support balances in Account 1576 if the account has yet to be disposed of.

Hydro 2000's confirms that it has completed 1576 appendix and that it is presented in Exhibit 2.

Appendix 2-BA - Fixed Asset Schedule

Applicants are to provide Appendix 2-BA in accordance with the years and corresponding accounting standards noted in the above table to provide a year over year continuity in fixed assets.

Hydro 2000 confirms that Appendix 2-BA - Fixed Asset Schedule has been completed and filed starting with 2012 CGAAP, 2013 Revised CGAAP, 2014 Revised CGAAP and MIFRS for 2015-2019.

For the transition year (2014), the applicant should file two appendices, one under Revised CGAAP and one under MIFRS if the change between Revised CGAAP and MIFRS is material. If the change from the accounting standards is not material, the applicant may choose only to provide one appendix under MIFRS. However, the applicant must also indicate the fixed asset net book value balance under Revised CGAAP, the total dollar value of the change and explain why it is not material.

Hydro 2000 confirms that there were no changes from the accounting standards from 2015 Revised CGAAP to 2015 MIFRS. Both schedules are identical (same dollar value) since the only change related to the conversion was the adoption of new useful lives which was adopted on January 1, 2013.

Regulatory Gross Assets of Property, Plant, and Equipment

For an applicant that adopted IFRS on January 1, 2015, for financial reporting purposes, the applicant must establish the continuity of historical cost by using the December 31, 2013, gross regulatory assets of property, plant, and equipment as the opening January 1, 2014, regulatory gross assets. The applicant must provide schedules (including Appendix 2-BA, Fixed Asset Continuity Schedule) which must identify the following details to substantiate the continuity of historical cost for regulatory purposes:

- December 31, 2013, regulatory gross assets of property, plant, and equipment, by asset class; and*
- January 1, 2014, regulatory gross assets of property, plant, and equipment, by asset class.*

Hydro 2000 has complete its fixed asset continuity schedule with 2012 CGAAP, followed by 2013 and 2014 Revised CGAAP.

Accumulated Depreciation

For an applicant that adopted IFRS on January 1, 2015, for financial reporting purposes, the applicant must establish the continuity of historical cost by using the December 31, 2013, regulatory accumulated depreciation as the opening January 1, 2014, regulatory accumulated depreciation. The applicant must provide schedules (including Appendix 2-BA, Fixed Asset Continuity Schedule) which must identify the following details to substantiate the continuity of historical cost for regulatory purposes:

- December 31, 2013, regulatory accumulated depreciation, by asset class; and*
- January 1, 2014, regulatory accumulated depreciation, by asset*

Hydro 2000 confirms that it has completed and Filed starting with 2014 Revised CGAAP (Since the utility filed its last Cost of Service in 2012, the utility used 2012 as an opening balance)

Appendix 2-Cx - Depreciation and Amortization

Applicants are to provide Appendix 2-Cx in accordance with the years and corresponding accounting standards listed in the above table.

The above requirement is not applicable in Hydro 2000's case.

If an applicant is reflecting changes to its depreciation policies for the first time in a rebasing application, the applicant should complete Appendix 2-CA to 2-CG (changes made in 2012) or Appendix 2-CA to 2-CF (changes made in 2013). In this set of appendices, the applicant will need to indicate the year it made the accounting policy changes. The applicant must provide data starting from the year it made changes to its capitalization and depreciation policies.

Hydro 2000 confirms that it has complied with the above requirement by completing Appendix 2-Cx for all applicable years.

**Depreciation accounting policy changes were mandated by the Board by January 1, 2013. In general, no further changes to an applicant's depreciation policy (i.e., assets' service lives) are expected after the Board mandated changes by January 1, 2013. The set of Appendix 2-CA to 2-CG assumes this to be the case. If the applicant has made any changes to its depreciation policy after the Board mandated changes, applicants must identify the change, explain the nature of the*

change, the reason for the change, quantify the impact of the change, and quantify the depreciation expense before and after the change

The above requirement is not applicable in Hydro 2000's case as it did not make any changes to its depreciation policy post January 1, 2013.

If an applicant changed depreciation policies and reflected these changes in a prior rebasing application, the applicant should complete Appendix 2-CH. The applicant must provide data starting from the earlier of 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts.

The above requirement is not applicable in Hydro 2000's case as it did not change its depreciation policies in a previous application.

Appendix 2-E - Account 1575, IFRS-CGAAP Transitional PP&E Amounts (2-EA), Account 1576, Accounting Changes Under CGAAP (2-EB, 2-EC)

1) For an applicant that has a balance in Account 1576 to dispose of:

If an applicant changed capitalization and depreciation policies effective January 1, 2012, the applicant must complete Appendix 2-EB.

The above requirement is not applicable in Hydro 2000's case.

If an applicant changed capitalization and depreciation policies effective January 1, 2013, the applicant must complete Appendix 2-EC.

Hydro 2000 confirms that it has completed Appendix 2-EC with respect to account 1576.

2) For an applicant that has a balance in Account 1575 to dispose of:

The applicant must complete 2-EA

Hydro 2000 confirms that it has completed Appendix 2-EC with respect to account 1576.

1 *If the applicant did not make any further PP&E accounting policy changes beyond the*
2 *capitalization and depreciation policy changes as mandated by the Board by January 1, 2013 (i.e.,*
3 *no further changes made upon transition to IFRS), the applicant must indicate this and does not*
4 *need to complete Appendix 2-EA*

5 **The above requirement is not applicable in Hydro 2000's case.**

6

4.8.2 DEPRECIATION RATES AND METHODOLOGY

In accordance with the July 17, 2012, letter from the Board on Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies and as such, Hydro 2000 has adopted a range of the Kinetrics proposed useful lives and componentization on January 1, 2013 ²⁹

Continuity Statements of the historical and forecasted depreciation expenses are presented on the next page and are filed in Excel format along with this application.³⁰

²⁹ MFR - Explanation of any deviations from the practice of depreciating significant parts or components of PP&E separately

³⁰ MFR - Depreciation, Amortization and Depletion details by asset group for historical, bridge and test years. Include asset amount and rate of depreciation/amortization. Must agree to accumulated depreciation in Appendix 2-BA under rate base

2012 CGAAP	Book Values							Service Lives				Depreciation Expense						
Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan.	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciate ^d	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciati on Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciati on Expense on Assets Acquired After	Depreciati on Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2- BA Fixed Assets, Column J	Variance ⁶	
	a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = l/j	n = g * 0.5/j	o = l+m+n	p	q = p-o	
Computer Software (Formally known as Account 1925)	\$ 130,497	-\$ 70,900	\$201,397.23			\$0.00	\$ 401	5.00	20.00%	5.00	20.00%	\$40,279.45	\$0.00	\$40.05	\$40,319.50	\$40,319.50	\$0.00	
Land Rights (Formally known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Leasehold Improvements	\$ 3,481		\$3,481.08			\$0.00	\$ 624	5.00	20.00%	5.00	20.00%	\$696.22	\$0.00	\$62.35	\$758.57	\$758.54	-\$0.03	
Transformer Station Equipment >50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Distribution Station Equipment <50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Poles, Towers & Fixtures	\$ 468,626	\$ 59,001	\$409,625.06			\$0.00	\$ 4,850	25.00	4.00%	25.00	4.00%	\$16,385.00	\$0.00	\$97.00	\$16,482.00	\$16,482.00	\$0.00	
Overhead Conductors & Devices	\$ 471,035	\$ 59,035	\$412,000.79			\$0.00	\$ 6,686	25.00	4.00%	25.00	4.00%	\$16,480.03	\$0.00	\$133.72	\$16,613.75	\$16,613.75	\$0.00	
Underground Conduit	\$ 13,405		\$13,404.71			\$0.00		25.00	4.00%	25.00	4.00%	\$536.19	\$0.00	\$0.00	\$536.19	\$536.00	-\$0.19	
Underground Conductors & Devices	\$ 130,329	\$ 6,542	\$123,787.45			\$0.00		25.00	4.00%	25.00	4.00%	\$4,951.50	\$0.00	\$0.00	\$4,951.50	\$4,951.50	\$0.00	
Line Transformers	\$ 262,089	\$ 108,130	\$153,958.25			\$0.00	\$ 10,999	25.00	4.00%	25.00	4.00%	\$6,158.33	\$0.00	\$219.99	\$6,378.32	\$6,378.32	\$0.00	
Services (Overhead & Underground)	\$ 70,177		\$70,177.31			\$0.00	\$ 1,464	25.00	4.00%	25.00	4.00%	\$2,807.09	\$0.00	\$29.28	\$2,836.37	\$2,836.85	\$0.48	
Meters	\$ 132,735	\$ 39,918	\$92,817.37			\$0.00	\$ 22	25.00	4.00%	25.00	4.00%	\$3,712.69	\$0.00	\$0.44	\$3,713.14	\$3,713.14	\$0.00	
Meters (Smart Meters)	\$ 194,803		\$194,802.55			\$0.00	\$ 3,011	15.00	6.67%	15.00	6.67%	\$12,986.84	\$0.00	\$100.37	\$13,087.21	\$13,086.16	-\$1.05	
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Office Furniture & Equipment (10 years)	\$ 29,345	\$ 6,289	\$23,055.54			\$0.00	\$ 1,309	10.00	10.00%	10.00	10.00%	\$2,305.55	\$0.00	\$65.45	\$2,371.00	\$2,371.00	\$0.00	
Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Computer Equip. -Hardware(Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Computer Equip. -Hardware(Post Mar. 19/07)	\$ 71,220	\$ 64,086	\$7,134.03			\$0.00	\$ 11,681	5.00	20.00%	5.00	20.00%	\$1,426.81	\$0.00	\$1,168.09	\$2,594.90	\$2,594.90	\$0.00	
Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Contributions & Grants	-\$ 148,764	\$ 485	-\$149,249.07			\$0.00	-\$ 2,157	25.00	4.00%	25.00	4.00%	-\$5,969.96	\$0.00	-\$43.14	-\$6,013.11	-\$6,013.11	\$0.00	
Total	\$ 1,828,978	\$ 272,586	\$1,556,392.30	\$ -	\$ -	\$0.00	\$ 38,889					\$102,755.73	\$0.00	\$1,873.60	\$104,629.33	\$104,628.55	-\$0.78	

2013 CGAAP		Book Values						Service Lives				Depreciation Expense					Variance
Description	Opening Net Book Value of Existing Assets as at Date of Policy	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be	Current Year Additions	Average Remaining Life of Assets Existing Before Policy	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired	Depreciation Expense on Current Year	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets	
	a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
Computer Software (Formally known as Account 1925)	\$ 130,898	\$ 47,267	\$83,630.48			\$0.00	\$ 352	5.00	20.00%	5.00	20.00%	\$16,726.10	\$0.00	\$35.23	\$16,761.33	\$16,761.33	\$0.00
Land Rights (Formally known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Leasehold Improvements	\$ 4,105		\$4,104.62			\$0.00		5.00	20.00%	5.00	20.00%	\$820.92	\$0.00	\$0.00	\$820.92	\$821.00	\$0.08
Transformer Station Equipment >50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Distribution Station Equipment <50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Poles, Towers & Fixtures	\$ 473,476	\$ 59,009	\$414,467.81			\$0.00	\$ 9,515	25.00	4.00%	25.00	4.00%	\$16,578.71	\$0.00	\$190.30	\$16,769.01	\$16,769.01	\$0.00
Overhead Conductors & Devices	\$ 477,721	\$ 59,081	\$418,640.04			\$0.00	\$ 8,905	25.00	4.00%	25.00	4.00%	\$16,745.60	\$0.00	\$178.09	\$16,923.70	\$16,923.70	\$0.00
Underground Conduit	\$ 13,405		\$13,404.71			\$0.00		25.00	4.00%	25.00	4.00%	\$536.19	\$0.00	\$0.00	\$536.19	\$536.00	-\$0.19
Underground Conductors & Devices	\$ 131,130	\$ 6,968	\$124,162.20			\$0.00	\$ 7,207	25.00	4.00%	25.00	4.00%	\$4,966.49	\$0.00	\$144.13	\$5,110.62	\$5,110.62	\$0.00
Line Transformers	\$ 273,088	\$ 120,784	\$152,303.57			\$0.00	\$ 1,233	25.00	4.00%	25.00	4.00%	\$6,092.14	\$0.00	\$25.86	\$6,118.00	\$6,118.00	\$0.00
Services (Overhead & Underground)	\$ 71,641		\$71,641.16			\$0.00	\$ 948	25.00	4.00%	25.00	4.00%	\$2,865.65	\$0.00	\$18.95	\$2,884.60	\$2,884.50	\$1.90
Meters	\$ 132,758	\$ 114,383	\$17,775.01			\$0.00		25.00	4.00%	25.00	4.00%	\$711.00	\$0.00	\$0.00	\$711.00	\$711.00	\$0.00
Meters (Smart Meters)	\$ 137,814		\$137,813.77			\$0.00		15.00	6.67%	15.00	6.67%	\$13,187.58	\$0.00	\$0.00	\$13,187.58	\$13,187.00	-\$0.58
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Office Furniture & Equipment (10 years)	\$ 30,654	\$ 11,844	\$18,809.84			\$0.00	\$ 360	10.00	10.00%	10.00	10.00%	\$1,880.98	\$0.00	\$18.00	\$1,898.98	\$1,898.98	\$0.00
Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Computer Equip. - Hardware (Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Computer Equip. - Hardware (Post Mar. 19/07)	\$ 38,718	\$ 11,119	\$27,598.63			\$0.00	\$ 211	5.00	20.00%	5.00	20.00%	\$5,519.73	\$0.00	\$21.08	\$5,540.81	\$5,540.81	\$0.00
Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Contributions & Grants	-\$ 150,921	\$ 622	-\$151,543.68			\$0.00	-\$ 3,338	25.00	4.00%	25.00	4.00%	-\$6,061.75	\$0.00	-\$66.75	-\$6,128.50	-\$6,128.50	\$0.00
Total	\$ 1,824,484	\$ 431,676	\$1,392,808.16	\$ -	\$ -	\$0.00	\$ 25,452					\$80,569.35	\$0.00	\$564.90	\$81,134.25	\$81,135.45	\$1.20

Description	Book Values							Service Lives				Depreciation Expense					Variance ⁶
	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. ¹)	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁸	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciation on Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation on Expense on Assets Acquired After	Depreciation on Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	
	a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5f/j	o = l+m+n	p	
Computer Software (Formally known as Account 1925)	\$ 130,898	\$ 47,267	\$83,630.48			\$0.00	\$ 352	5.00	20.00%	5.00	20.00%	\$16,726.10	\$0.00	\$35.23	\$16,761.33	\$16,761.33	\$0.00
Land Rights (Formally known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leasehold Improvements	\$ 4,105		\$4,104.62			\$0.00		5.00	20.00%	5.00	20.00%	\$820.92	\$0.00	\$0.00	\$820.92	\$821.00	\$0.08
Transformer Station Equipment > 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution Station Equipment < 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Poles, Towers & Fixtures	\$ 473,476	\$ 58,923	\$414,552.86			\$0.00	\$ 9,515	45.00	2.22%	45.00	2.22%	\$9,212.29	\$0.00	\$105.72	\$9,318.01	\$9,318.01	\$0.00
Overhead Conductors & Devices	\$ 477,721	\$ 59,191	\$418,529.84			\$0.00	\$ 8,905	60.00	1.67%	60.00	1.67%	\$6,975.50	\$0.00	\$74.21	\$7,049.70	\$7,049.70	\$0.00
Underground Conduit	\$ 13,405		\$13,404.71			\$0.00		50.00	2.00%	50.00	2.00%	\$268.09	\$0.00	\$0.00	\$268.09	\$268.00	-\$0.09
Underground Conductors & Devices	\$ 131,130	\$ 7,004	\$124,125.30			\$0.00	\$ 7,207	30.00	3.33%	30.00	3.33%	\$4,137.51	\$0.00	\$120.11	\$4,257.62	\$4,257.62	\$0.00
Line Transformers	\$ 273,088	\$ 120,814	\$152,273.42			\$0.00	\$ 1,293	40.00	2.50%	40.00	2.50%	\$3,806.84	\$0.00	\$16.16	\$3,823.00	\$3,823.00	\$0.00
Services (Overhead & Underground)	\$ 71,641		\$71,641.16			\$0.00	\$ 948	30.00	3.33%	30.00	3.33%	\$2,388.04	\$0.00	\$15.79	\$2,403.83	\$2,405.50	\$1.67
Meters	\$ 132,758	\$ 114,983	\$17,775.01			\$0.00		25.00	4.00%	25.00	4.00%	\$711.00	\$0.00	\$0.00	\$711.00	\$711.00	\$0.00
Meters (Smart Meters)	\$ 197,814		\$197,813.77			\$0.00		15.00	6.67%	15.00	6.67%	\$13,187.58	\$0.00	\$0.00	\$13,187.58	\$13,187.00	-\$0.58
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Furniture & Equipment (10 years)	\$ 30,654	\$ 11,844	\$18,809.84			\$0.00	\$ 360	10.00	10.00%	10.00	10.00%	\$1,880.98	\$0.00	\$18.00	\$1,898.98	\$1,898.98	\$0.00
Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Computer Equip. - Hardware (Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Computer Equip. - Hardware (Post Mar. 19/07)	\$ 38,718	\$ 11,119	\$27,598.63			\$0.00	\$ 211	5.00	20.00%	5.00	20.00%	\$5,519.73	\$0.00	\$21.08	\$5,540.81	\$5,540.81	\$0.00
Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contributions & Grants	-\$ 150,921		-\$150,921.43			\$0.00	-\$ 3,338	37.57	2.66%	37.57	2.66%	-\$4,017.07	\$0.00	-\$44.42	-\$4,061.49	-\$4,060.50	\$0.99
Total	\$ 1,824,484	\$ 431,146	\$1,393,338.21	\$ -	\$ -	\$0.00	\$25,452					\$61,617.50	\$0.00	\$361.89	\$61,979.39	\$61,981.45	\$2.06

2014 RevisedCGAAP		Book Values							Service Lives				Depreciation Expense					
Description	Opening Net Book Value of Existing Assets as at Date of Policy a	Less Fully Depreciated b	Net Amount of Existing Assets Before Policy Change to be Depreciated c = a-b	Opening Gross Book Value of Assets Acquired After Policy Change d	Less Fully Depreciate d ¹	Net Amount of Assets Acquired After Policy Change to be f = d-e	Current Year Additions g	Average Remaining Life of Assets Existing Before Policy h	Depreciation Rate Assets Acquired After Policy Change i = 1/h	Life of Assets Acquired After Policy Change j	Depreciat on Rate on New Additions k = 1/j	Depreciation Expense on Assets Existing Before Policy Change l = c/h	Depreciat on Expense on Assets Acquired m = 1/j	Depreciat on Expense on Current Year n = g * 0.5/j	Total Current Year Depreciation Expense o = l+m+n	Depreciation Expense per Appendix 2-BA Fixed Assets, p	Variance q = p-o	
	a	b	c = a-b	d	e	f = d-e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = 1/j	n = g * 0.5/j	o = l+m+n	p	q = p-o	
Computer Software (Formally known as Account 1925)	\$ 131,250	\$ 70,726	\$60,524.11			\$0.00	\$ 38,793	5.00	20.00%	5.00	20.00%	\$12,104.82	\$0.00	\$3,879.31	\$15,984.14	\$15,984.14	\$0.00	
Land Rights (Formally known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Leasehold Improvements	\$ 4,105		\$4,104.62			\$0.00		5.00	20.00%	5.00	20.00%	\$820.92	\$0.00	\$0.00	\$820.92	\$821.00	\$0.08	
Transformer Station Equipment > 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Distribution Station Equipment < 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Poles, Towers & Fixtures	\$ 482,991	\$ 58,930	\$424,061.57			\$0.00	\$ 18,689	45.00	2.22%	45.00	2.22%	\$9,423.59	\$0.00	\$207.66	\$9,631.25	\$9,631.25	\$0.00	
Overhead Conductors & Devices	\$ 486,626	\$ 59,198	\$427,427.94			\$0.00	\$ 1,374	60.00	1.67%	60.00	1.67%	\$7,123.80	\$0.00	\$11.45	\$7,135.25	\$7,135.25	\$0.00	
Underground Conduit	\$ 13,405		\$13,404.71			\$0.00	\$0.00	50.00	2.00%	50.00	2.00%	\$268.09	\$0.00	\$0.00	\$268.09	\$268.00	-\$0.09	
Underground Conductors & Devices	\$ 138,336	\$ 7,024	\$131,312.12			\$0.00	\$ 3,809	30.00	3.33%	30.00	3.33%	\$4,377.07	\$0.00	\$63.48	\$4,440.55	\$4,440.55	\$0.00	
Line Transformers	\$ 274,381	\$ 148,951	\$125,430.02			\$0.00	\$ 8,242	40.00	2.50%	40.00	2.50%	\$3,135.75	\$0.00	\$103.02	\$3,238.77	\$3,238.77	\$0.00	
Services (Overhead & Underground)	\$ 72,589		\$72,588.66			\$0.00		30.00	3.33%	30.00	3.33%	\$2,419.62	\$0.00	\$0.00	\$2,419.62	\$2,421.00	\$1.38	
Meters	\$ 132,758	\$ 114,983	\$17,775.01			\$0.00		25.00	4.00%	25.00	4.00%	\$711.00	\$0.00	\$0.00	\$711.00	\$711.00	\$0.00	
Meters (Smart Meters)	\$ 197,814		\$197,813.77			\$0.00	\$ 7,985	15.00	6.67%	15.00	6.67%	\$13,187.58	\$0.00	\$266.17	\$13,453.75	\$13,453.07	-\$0.68	
Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Office Furniture & Equipment (10 years)	\$ 31,014	\$ 12,199	\$18,815.02			\$0.00	\$ 230	10.00	10.00%	10.00	10.00%	\$1,881.50	\$0.00	\$11.50	\$1,893.00	\$1,893.00	\$0.00	
Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Computer Equip. -Hardware (Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Computer Equip. -Hardware (Post Mar. 19/07)	\$ 38,928	\$ 27,037	\$11,891.24			\$0.00	\$ 263	5.00	20.00%	5.00	20.00%	\$2,378.25	\$0.00	\$26.25	\$2,404.50	\$2,404.50	\$0.00	
Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Contributions & Grants	-\$ 154,259		-\$154,258.93			\$0.00		37.64	2.66%	37.64	2.66%	-\$4,098.27	\$0.00	\$0.00	-\$4,098.27	-\$4,098.00	\$0.27	
Total	\$ 1,849,937	\$ 499,047	\$1,350,889.86	\$ -	\$ -	\$0.00	\$ 79,385					\$53,733.74	\$0.00	\$4,568.84	\$58,302.58	\$58,303.53	\$0.95	

2014 MIFRS		Book Values							Service Lives				Depreciation Expense					Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2- BA Fixed Assets,	Variance
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired	Depreciation Expense on Current Year	o = l+m+n				
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g * 0.5/j	o = l+m+n	p	q = p-o		
1611	Computer Software (Formally known as Account 1925)	\$ 131,251	\$ 70,726	\$60,524.11			\$0.00	\$ 36,793	5.00	20.00%	5.00	20.00%	\$12,104.82	\$0.00	\$3,879.31	\$15,984.14	\$15,984.14	\$0.00		
1612	Land Rights (Formally known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1805	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1808	Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1810	Leasehold Improvements	\$ 4,105		\$4,104.62			\$0.00		5.00	20.00%	5.00	20.00%	\$820.92	\$0.00	\$0.00	\$820.92	\$821.00	\$0.08		
1815	Transformer Station Equipment > 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1820	Distribution Station Equipment < 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1825	Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1830	Poles, Towers & Fixtures	\$ 522,579	\$ 36,248	\$486,331.03			\$0.00	\$ 18,689	45.00	2.22%	45.00	2.22%	\$10,807.36	\$0.00	\$207.66	\$11,015.01	\$11,015.01	\$0.00		
1835	Overhead Conductors & Devices	\$ 486,626	\$ 59,198	\$427,427.94			\$0.00	\$ 1,374	60.00	1.67%	60.00	1.67%	\$7,123.80	\$0.00	\$11.45	\$7,135.25	\$7,135.25	\$0.00		
1840	Underground Conduit	\$ 13,405		\$13,404.71			\$0.00		50.00	2.00%	50.00	2.00%	\$268.09	\$0.00	\$0.00	\$268.09	\$268.09	-\$0.09		
1845	Underground Conductors & Devices	\$ 138,336	\$ 7,024	\$131,312.12			\$0.00	\$ 3,809	30.00	3.33%	30.00	3.33%	\$4,377.07	\$0.00	\$63.48	\$4,440.55	\$4,440.55	\$0.00		
1850	Line Transformers	\$ 217,117	\$ 26,826	\$190,290.95			\$0.00	\$ 8,242	40.00	2.50%	40.00	2.50%	\$4,757.27	\$0.00	\$103.02	\$4,860.30	\$4,860.30	\$0.00		
1855	Services (Overhead & Underground)	\$ 72,589		\$72,588.66			\$0.00		30.00	3.33%	30.00	3.33%	\$2,419.62	\$0.00	\$0.00	\$2,419.62	\$2,421.00	\$1.38		
1860	Meters	\$ 132,758	\$ 111,990	\$20,767.51			\$0.00		25.00	4.00%	25.00	4.00%	\$830.70	\$0.00	\$0.00	\$830.70	\$830.70	\$0.00		
1860	Meters (Smart Meters)	\$ 195,310	\$ 74	\$195,235.76			\$0.00	\$ 7,986	15.00	6.67%	15.00	6.67%	\$13,015.72	\$0.00	\$266.19	\$13,281.90	\$13,281.90	\$0.00		
1905	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1908	Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1910	Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1915	Office Furniture & Equipment (10 years)	\$ 31,014	\$ 12,199	\$18,815.02			\$0.00	\$ 230	10.00	10.00%	10.00	10.00%	\$1,881.50	\$0.00	\$11.50	\$1,893.00	\$1,893.00	\$0.00		
1915	Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1920	Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1920	Computer Equip. -Hardware (Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1920	Computer Equip. -Hardware (Post Mar. 19/07)	\$ 18,479	\$ 6,587	\$11,891.23			\$0.00	\$ 263	5.00	20.00%	5.00	20.00%	\$2,378.25	\$0.00	\$26.25	\$2,404.50	\$2,404.50	\$0.00		
1930	Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1935	Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1940	Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1945	Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1950	Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1955	Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1955	Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1960	Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1970	Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1975	Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1980	System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1985	Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1990	Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00		
1995	Contributions & Grants	-\$ 154,259		-\$154,258.93			\$0.00		37.64	2.66%	37.64	2.66%	-\$4,098.08	\$0.00	\$0.00	-\$4,098.08	-\$4,098.08	\$0.00		
Total		\$ 1,809,308	\$ 330,873	\$1,478,434.73	\$ -	\$ -	\$0.00	\$ 79,385					\$56,687.05	\$0.00	\$4,568.86	\$61,255.91	\$61,257.27	\$1.36		

2015 MIFRS		Book Values							Service Lives				Depreciation Expense						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy a	Less Fully Depreciated b	Net Amount of Existing Assets Before Policy Change to be Depreciated c = a-b	Opening Gross Book Value of Assets Acquired After Policy Change d	Less Fully Depreciated e	Net Amount of Assets Acquired After Policy Change to be Depreciated f = d - e	Current Year Additions g	Average Remaining Life of Assets Existing Before Policy h	Depreciation Rate Assets Acquired After Policy Change i = 1/h	Life of Assets Acquired After Policy Change j	Depreciation on Rate on New Additions k = 1/j	Depreciation Expense on Assets Existing Before Policy Change l = c/h	Depreciation on Expense on Assets Acquired m = f/j	Depreciation on Expense on Current Year n = g*0.5/j	Total Current Year Depreciation Expense o = l+m+n	Depreciation Expense per Appendix 2-BA Fixed Assets, p	Variance q = p-o	
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 170,043	\$ 107,235	\$62,808.30			\$0.00	\$ 2,142	5.00	20.00%	5.00	20.00%	\$12,561.66	\$0.00	\$214.19	\$12,775.85	\$12,775.85	\$0.00	
1612	Land Rights (Formally known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1605	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1608	Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1610	Leasehold Improvements	\$ 4,105		\$4,104.62			\$0.00		5.00	20.00%	5.00	20.00%	\$820.92	\$0.00	\$0.00	\$820.92	\$821.00	\$0.08	
1615	Transformer Station Equipment >50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1620	Distribution Station Equipment <50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1625	Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1630	Poles, Towers & Fixtures	\$ 522,250	\$ 42,553	\$479,691.25			\$0.00	\$ 13,946	45.00	2.22%	45.00	2.22%	\$10,653.81	\$0.00	\$154.95	\$10,814.76	\$10,814.76	\$0.00	
1635	Overhead Conductors & Devices	\$ 486,626	\$ 57,224	\$429,401.94			\$0.00	\$ 1,700	60.00	1.67%	60.00	1.67%	\$7,156.70	\$0.00	\$14.17	\$7,170.86	\$7,170.86	\$0.00	
1640	Underground Conduit	\$ 13,405		\$13,404.71			\$0.00		50.00	2.00%	50.00	2.00%	\$268.09	\$0.00	\$0.00	\$268.09	\$268.09	-\$0.09	
1645	Underground Conductors & Devices	\$ 138,336	\$ 3,186	\$135,150.02			\$0.00		30.00	3.33%	30.00	3.33%	\$4,505.00	\$0.00	\$0.00	\$4,505.00	\$4,505.00	\$0.00	
1650	Line Transformers	\$ 217,117	\$ 43,797	\$173,320.15			\$0.00	\$ 9,366	40.00	2.50%	40.00	2.50%	\$4,333.00	\$0.00	\$117.07	\$4,450.08	\$4,450.08	\$0.00	
1655	Services (Overhead & Underground)	\$ 72,589		\$72,588.66			\$0.00		30.00	3.33%	30.00	3.33%	\$2,419.62	\$0.00	\$0.00	\$2,419.62	\$2,421.00	\$1.38	
1660	Meters	\$ 132,768	\$ 127,365	\$5,392.51			\$0.00		25.00	4.00%	25.00	4.00%	\$215.70	\$0.00	\$0.00	\$215.70	\$215.70	\$0.00	
1660	Meters (Smart Meters)	\$ 195,310	\$ 12,461	\$182,828.36			\$0.00	\$ 2,234	15.00	6.67%	15.00	6.67%	\$12,188.56	\$0.00	\$74.47	\$12,263.03	\$12,263.03	\$0.00	
1905	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1906	Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1910	Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1915	Office Furniture & Equipment (10 years)	\$ 31,014	\$ 12,028	\$18,985.52			\$0.00	\$ 329	10.00	10.00%	10.00	10.00%	\$1,898.55	\$0.00	\$16.45	\$1,915.00	\$1,915.00	\$0.00	
1915	Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equip.-Hardware(Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 18,473	\$ 9,663	\$8,809.88			\$0.00	\$ 8,450	5.00	20.00%	5.00	20.00%	\$1,761.98	\$0.00	\$845.02	\$2,607.00	\$2,607.00	\$0.00	
1930	Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1935	Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1940	Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1945	Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1950	Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1955	Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1955	Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1960	Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1970	Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1975	Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1980	System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1985	Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1990	Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1995	Contributions & Grants	-\$ 154,253		-\$154,258.93			\$0.00		37.64	2.66%	37.64	2.66%	-\$4,098.08	\$0.00	\$0.00	-\$4,098.08	-\$4,098.08	\$0.00	
	Total	\$ 1,847,772	\$ 415,545	\$1,432,226.99	\$ -	\$ -	\$0.00	\$ 38,167					\$54,691.52	\$0.00	\$1,436.32	\$56,129.84	\$56,129.20	\$1.36	

Account	Description	Book Values							Service Lives				Depreciation Expense					Variance
		Opening Net Book Value of Existing Assets as at Date of Policy	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciated on Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciated on Expense on Assets Acquired	Depreciated on Expense on Current Year	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets	
		a	b	c = a - b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = l/j	n = g * 0.5/j	o = l + m + n	p	q = p - o
1611	Computer Software (Formerly known as Account 1925)	\$ 172,185	\$ 123,796	\$48,388.30			\$0.00	\$ 1,179	5.00	20.00%	5.00	20.00%	\$9,677.78	\$0.00	\$117.87	\$9,795.65	\$9,795.65	\$0.00
1612	Land Rights (Formerly known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1605	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1608	Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1610	Leasehold Improvements	\$ 4,105	\$ 1,735	\$2,370.02			\$0.00		5.00	20.00%	5.00	20.00%	\$474.00	\$0.00	\$0.00	\$474.00	\$474.00	\$0.00
1615	Transformer Station Equipment > 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1620	Distribution Station Equipment < 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1625	Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1630	Poles, Towers & Fixtures	\$ 556,378	\$ 35,032	\$521,946.04			\$0.00	\$ 24,730	45.00	2.22%	45.00	2.22%	\$11,598.80	\$0.00	\$274.78	\$11,873.58	\$11,873.58	\$0.00
1635	Overhead Conductors & Devices	\$ 486,626	\$ 242,290	\$244,335.54			\$0.00	\$ 1,710	60.00	1.67%	60.00	1.67%	\$4,072.26	\$0.00	\$14.25	\$4,086.50	\$4,086.50	\$0.00
1640	Underground Conduit	\$ 13,405		\$13,404.71			\$0.00		50.00	2.00%	50.00	2.00%	\$268.09	\$0.00	\$0.00	\$268.09	\$268.09	\$0.00
1645	Underground Conductors & Devices	\$ 138,336	\$ 2,893	\$135,443.12			\$0.00	\$ 1,785	30.00	3.33%	30.00	3.33%	\$4,514.77	\$0.00	\$29.74	\$4,544.51	\$4,544.51	\$0.00
1650	Line Transformers	\$ 234,892	\$ 60,196	\$174,696.23			\$0.00	\$ 18,339	40.00	2.50%	40.00	2.50%	\$4,367.41	\$0.00	\$229.24	\$4,596.64	\$4,596.64	\$0.00
1655	Services (Overhead & Underground)	\$ 12,583		\$12,588.86			\$0.00		30.00	3.33%	30.00	3.33%	\$2,419.62	\$0.00	\$0.00	\$2,419.62	\$2,419.62	\$1.38
1660	Meters	\$ 5,392		\$5,392.24			\$0.00		25.00	4.00%	25.00	4.00%	\$215.69	\$0.00	\$0.00	\$215.69	\$215.70	\$0.01
1660	Meters (Smart Meters)	\$ 189,877	\$ 11,163	\$178,707.55			\$0.00	\$ 667	15.00	6.67%	15.00	6.67%	\$11,913.84	\$0.00	\$22.24	\$11,936.08	\$11,936.08	\$0.00
1905	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1908	Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1910	Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1915	Office Furniture & Equipment (10 years)	\$ 31,343	\$ 11,973	\$19,370.02			\$0.00		10.00	10.00%	10.00	10.00%	\$1,937.00	\$0.00	\$0.00	\$1,937.00	\$1,937.00	\$0.00
1915	Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1920	Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1920	Computer Equip.-Hardware(Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1920	Computer Equip.-Hardware(Post Mar. 19/07)	\$ 26,329	\$ 6,277	\$20,652.02			\$0.00	\$ 560	5.00	20.00%	5.00	20.00%	\$4,130.40	\$0.00	\$56.02	\$4,186.42	\$4,186.42	\$0.00
1930	Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1935	Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1940	Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1945	Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1950	Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1955	Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1955	Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1960	Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1970	Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1975	Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1980	System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1985	Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1990	Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1995	Contributions & Grants	-\$ 154,259		-\$154,258.33			\$0.00	-\$ 29,147	41.20	2.43%	41.20	2.43%	-\$3,744.34	\$0.00	-\$353.74	-\$4,098.08	-\$4,098.08	\$0.00
	Total	\$ 1,778,397	\$ 495,361	\$1,283,036.12	\$ -	\$ -	\$0.00	\$ 19,822					\$51,845.33	\$0.00	\$390.39	\$52,235.72	\$52,237.00	\$1.28

2017 MIFRS		Book Values							Service Lives				Depreciation Expense					Variance
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy a	Less Fully Depreciated b	Net Amount of Existing Assets Before Policy Change to be Depreciated c = a - b	Opening Gross Book Value of Assets Acquired After Policy Change d	Less Fully Depreciated e	Net Amount of Assets Acquired After Policy Change to be Depreciated f = d - e	Current Year Additions g	Average Remaining Life of Assets Existing Before Policy h	Depreciation Rate Assets Acquired After Policy Change i = 1/h	Life of Assets Acquired After Policy Change j	Depreciation Rate on New Additions k = 1/j	Depreciation Expense on Assets Existing Before Policy Change l = c/h	Depreciation Expense on Assets Acquired m = f/j	Depreciation Expense on Current Year n = g * 0.5/j	Total Current Year Depreciation Expense o = l + m + n	Depreciation Expense per Appendix 2 – BA Fixed Assets p	
1611	Computer Software (Formerly known as Account 1325)	\$ 173,364	\$ 130,129	\$43,234.50			\$0.00	\$ 6,771	5.00	20.00%	5.00	20.00%	\$8,646.90	\$0.00	\$677.10	\$9,324.00	\$9,324.00	\$0.00
1612	Land Rights (Formerly known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1605	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1608	Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1610	Leasehold Improvements	\$ 4,105	\$ 3,800	\$305.02			\$0.00		5.00	20.00%	5.00	20.00%	\$61.00	\$0.00	\$0.00	\$61.00	\$61.00	\$0.00
1615	Transformer Station Equipment >50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1620	Distribution Station Equipment <50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1625	Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1630	Poles, Towers & Fixtures	\$ 576,525	\$ 35,753	\$540,771.69			\$0.00	\$ 15,862	45.00	2.22%	45.00	2.22%	\$12,017.15	\$0.00	\$176.24	\$12,193.39	\$12,193.39	\$0.00
1635	Overhead Conductors & Devices	\$ 491,409	\$ 324,921	\$166,488.35			\$0.00	\$ 6,010	60.00	1.67%	60.00	1.67%	\$2,774.81	\$0.00	\$50.08	\$2,824.89	\$2,824.90	\$0.01
1640	Underground Conduit	\$ 13,405		\$13,404.71			\$0.00	\$ 433	50.00	2.00%	50.00	2.00%	\$268.09	\$0.00	\$4.33	\$272.42	\$274.50	\$2.08
1645	Underground Conductors & Devices	\$ 143,323	\$ 54,489	\$88,834.08			\$0.00	\$ 3,280	30.00	3.33%	30.00	3.33%	\$2,981.34	\$0.00	\$54.67	\$3,036.00	\$3,036.00	\$0.00
1650	Line Transformers	\$ 253,064	\$ 60,432	\$192,632.40			\$0.00	\$ 8,617	40.00	2.50%	40.00	2.50%	\$4,815.81	\$0.00	\$107.71	\$4,923.52	\$4,923.52	\$0.00
1655	Services (Overhead & Underground)	\$ 72,589		\$72,588.66			\$0.00	\$ 330	30.00	3.33%	30.00	3.33%	\$2,419.62	\$0.00	\$5.50	\$2,425.12	\$2,431.00	\$5.88
1660	Meters	\$ 5,392		\$5,392.24			\$0.00		25.00	4.00%	25.00	4.00%	\$215.69	\$0.00	\$0.00	\$215.69	\$215.70	\$0.01
1660	Meters (Smart Meters)	\$ 167,461	\$ 4,438	\$171,899.51			\$0.00	\$ 10,845	15.00	6.67%	15.00	6.67%	\$11,459.99	\$0.00	\$361.51	\$11,821.49	\$11,822.49	\$1.00
1905	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1908	Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1910	Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1915	Office Furniture & Equipment (10 years)	\$ 31,343	\$ 12,103	\$19,240.02			\$0.00		10.00	10.00%	10.00	10.00%	\$1,924.00	\$0.00	\$0.00	\$1,924.00	\$1,924.00	\$0.00
1915	Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1920	Computer Equipment – Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1920	Computer Equip. – Hardware (Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1920	Computer Equip. – Hardware (Post Mar. 19/07)	\$ 27,752	\$ 12,422	\$15,330.00			\$0.00		5.00	20.00%	5.00	20.00%	\$3,066.00	\$0.00	\$0.00	\$3,066.00	\$3,066.00	\$0.00
1930	Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1935	Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1940	Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1945	Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1950	Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1955	Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1955	Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1960	Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1970	Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1975	Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1980	System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1985	Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1990	Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
1995	Contributions & Grants	-\$ 183,406		-\$183,405.93			\$0.00		38.43	2.60%	38.43	2.60%	-\$4,772.08	\$0.00	\$0.00	-\$4,772.08	-\$4,772.08	\$0.00
	Total	\$ 1,776,932	\$ 629,610	\$1,147,321.55	\$ -	\$ -	\$0.00	\$ 52,147					\$45,878.32	\$0.00	\$1,437.13	\$47,315.45	\$47,324.42	\$8.97

2018 MIFRS		Book Values							Service Lives				Depreciation Expense						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy	Less Fully Depreciated ⁷	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciated ⁴	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy	Depreciation Rate Assets Acquired After Policy Change ^{1/h}	Life of Assets Acquired After Policy Change ⁴	Depreciat on Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change ^{1 = c/h}	Depreciat on Expense on Assets Acquired ^{m = f/j}	Depreciat on Expense on Current Year ^{n = g/0.5h}	Total Current Year Depreciation Expense ^{o = f+m+n}	Depreciation Expense per Appendix 2- BA Fixed Assets, ^p	Variance ^{q = p-o}	
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g/0.5h	o = f+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1925)	\$ 180,135	\$ 131,065	\$49,070.00			\$0.00		5.00	20.00%	5.00	20.00%	\$9,814.00	\$0.00	\$0.00	\$9,814.00	\$9,814.00	\$0.00	
1612	Land Rights (Formally known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1805	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1808	Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1810	Leasehold Improvements	\$ 4,105	\$ 4,105	\$0.00			\$0.00		5.00	20.00%	5.00	20.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1815	Transformer Station Equipment > 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1820	Distribution Station Equipment < 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1825	Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1830	Poles, Towers & Fixtures	\$ 594,947	\$ 54,716	\$540,230.69			\$0.00	\$ 29,137	45.00	2.22%	45.00	2.22%	\$12,005.13	\$0.00	\$323.74	\$12,328.87	\$12,328.87	\$0.00	
1835	Overhead Conductors & Devices	\$ 497,419	\$ 325,459	\$171,960.05			\$0.00		60.00	1.67%	60.00	1.67%	\$2,866.00	\$0.00	\$0.00	\$2,866.00	\$2,866.00	\$0.00	
1840	Underground Conduit	\$ 13,837		\$13,837.21			\$0.00		50.00	2.00%	50.00	2.00%	\$276.74	\$0.00	\$0.00	\$276.74	\$276.74	\$0.26	
1845	Underground Conductors & Devices	\$ 147,209	\$ 89,129	\$58,079.96			\$0.00		30.00	3.33%	30.00	3.33%	\$1,936.00	\$0.00	\$0.00	\$1,936.00	\$1,936.00	\$0.00	
1850	Line Transformers	\$ 261,681	\$ 69,534	\$192,147.02			\$0.00	\$ 10,704	40.00	2.50%	40.00	2.50%	\$4,803.68	\$0.00	\$133.80	\$4,937.47	\$4,937.47	\$0.00	
1855	Services (Overhead & Underground)	\$ 72,919	\$ 199	\$72,720.06			\$0.00	\$ 1,320	30.00	3.33%	30.00	3.33%	\$2,424.00	\$0.00	\$22.00	\$2,446.00	\$2,446.00	\$0.00	
1860	Meters	\$ 5,392		\$5,392.24			\$0.00		25.00	4.00%	25.00	4.00%	\$215.69	\$0.00	\$0.00	\$215.69	\$215.69	\$0.01	
1860	Meters (Smart Meters)	\$ 182,578	\$ 5,611	\$176,966.85			\$0.00	\$ 3,837	15.00	6.67%	15.00	6.67%	\$11,797.79	\$0.00	\$127.89	\$11,925.68	\$11,925.68	\$0.00	
1905	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1908	Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1910	Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1915	Office Furniture & Equipment (10 years)	\$ 31,573	\$ 12,613	\$18,960.02			\$0.00		10.00	10.00%	10.00	10.00%	\$1,896.00	\$0.00	\$0.00	\$1,896.00	\$1,896.00	\$0.00	
1915	Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1920	Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1920	Computer Equip - Hardware (Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1920	Computer Equip - Hardware (Post Mar. 19/07)	\$ 27,752	\$ 18,367	\$9,385.00			\$0.00		5.00	20.00%	5.00	20.00%	\$1,877.00	\$0.00	\$0.00	\$1,877.00	\$1,877.00	\$0.00	
1930	Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1935	Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1940	Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1945	Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1950	Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1955	Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1955	Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1960	Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1970	Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1975	Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1980	System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1985	Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1990	Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1995	Contributions & Grants	-\$ 183,406		-\$183,405.93			\$0.00	-\$ 3,750	38.54	2.59%	38.54	2.59%	-\$4,759.34	\$0.00	-\$48.66	-\$4,808.00	-\$4,808.00	\$0.00	
	Total	\$ 1,836,140	\$ 710,797	\$1,125,343.19	\$ -	\$ -	\$0.00	\$ 41,247					\$45,152.69	\$0.00	\$558.77	\$45,711.46	\$45,711.72	\$0.26	

2019 MIFRS		Book Values							Service Lives				Depreciation Expense						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan.	Less Fully Depreciated ¹	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change ²	Less Fully Depreciate ^{d 4}	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy Change ³	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change ⁴	Depreciat on New Additions	Depreciation Expense on Assets Existing Before Policy Change	Depreciati on Expense on Assets Acquired After	Depreciati on Expense on Current Year Additions ⁵	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2- BA Fixed Assets, Column J	Variance ^t	
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g 0.5/j	o = l+m+n	p	q = p-o	
1611	Computer Software (Formally known as Account 1325)	\$ 180,135	\$ 170,455	\$3,680.00			\$0.00		5.00	20.00%	5.00	20.00%	\$1,936.00	\$0.00	\$0.00	\$1,936.00	\$1,936.00	\$0.00	
1612	Land Rights (Formally known as Account 1306)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1805	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1808	Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1810	Leasehold Improvements	\$ 4,105	\$ 4,105	\$0.00			\$0.00		5.00	20.00%	5.00	20.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1815	Transformer Station Equipment > 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1820	Distribution Station Equipment < 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1825	Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1830	Poles, Towers & Fixtures	\$ 619,643	\$ 47,693	\$571,950.00			\$0.00	\$ 41,236	45.00	2.22%	45.00	2.22%	\$12,710.00	\$0.00	\$458.18	\$13,168.18	\$13,168.18	\$0.00	
1835	Overhead Conductors & Devices	\$ 489,919	\$ 317,959	\$171,959.50			\$0.00	\$ 10,500	60.00	1.67%	60.00	1.67%	\$2,866.00	\$0.00	\$87.50	\$2,953.50	\$2,953.50	\$0.00	
1840	Underground Conduit	\$ 13,837		\$13,837.00			\$0.00		50.00	2.00%	50.00	2.00%	\$276.74	\$0.00	\$0.00	\$276.74	\$276.74	\$0.26	
1845	Underground Conductors & Devices	\$ 139,709	\$ 81,629	\$58,079.90			\$0.00	\$ 3,300	30.00	3.33%	30.00	3.33%	\$1,936.00	\$0.00	\$55.00	\$1,991.00	\$1,991.00	\$0.00	
1850	Line Transformers	\$ 272,385	\$ 83,544	\$202,841.00			\$0.00	\$ 74,948	40.00	2.50%	40.00	2.50%	\$5,071.03	\$0.00	\$396.85	\$5,007.85	\$5,007.85	-\$0.02	
1855	Services (Overhead & Underground)	\$ 74,239	\$ 199	\$74,040.00			\$0.00	\$ 9,083	30.00	3.33%	30.00	3.33%	\$2,468.00	\$0.00	\$151.38	\$2,619.38	\$2,619.38	\$0.00	
1860	Meters	\$ 5,332		\$5,332.00			\$0.00		25.00	4.00%	25.00	4.00%	\$215.66	\$0.00	\$0.00	\$215.66	\$215.66	\$0.32	
1860	Meters (Smart Meters)	\$ 183,738	\$ 4,428	\$179,310.00			\$0.00	\$ 17,749	15.00	6.67%	15.00	6.67%	\$11,954.00	\$0.00	\$591.63	\$12,545.63	\$12,545.63	\$0.00	
1905	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1908	Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1910	Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1915	Office Furniture & Equipment (10 years)	\$ 31,573	\$ 12,383	\$18,590.00			\$0.00	\$ 900	10.00	10.00%	10.00	10.00%	\$1,859.00	\$0.00	\$45.00	\$1,904.00	\$1,904.00	\$0.00	
1915	Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equip. -Hardware(Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equip. -Hardware(Post Mar. 19/07)	\$ 27,752	\$ 18,622	\$9,130.00			\$0.00		5.00	20.00%	5.00	20.00%	\$1,826.00	\$0.00	\$0.00	\$1,826.00	\$1,826.00	\$0.00	
1930	Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1935	Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1940	Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1945	Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1950	Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1955	Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1955	Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1960	Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1970	Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1975	Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1980	System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1985	Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1990	Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1995	Contributions & Grants	-\$ 223,318		-\$223,318.00			\$0.00	-\$ 36,162	45.40	2.20%	45.40	2.20%	-\$4,918.90	\$0.00	-\$398.26	-\$5,317.16	-\$5,317.00	\$0.16	
	Total	\$ 1,819,109	\$ 727,617	\$1,091,491.70	\$ -	\$ -	\$0.00	\$ 121,554					\$38,199.54	\$0.00	\$1,927.28	\$40,126.82	\$40,127.54	\$0.72	

2020 MIFRS		Book Values							Service Lives				Depreciation Expense					Depreciation Expense per Appendix 2-BA Fixed Assets, p	Variance q = p-o
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy	Less Fully Depreciated 7	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change 2	Less Fully Depreciated d 4	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions	Average Remaining Life of Assets Existing Before Policy	Depreciation Rate Assets Acquired After Policy Change i = 1/h	Life of Assets Acquired After Policy Change 4	Depreciat on Rate on New Additions	Depreciation Expense on Assets Existing Before Policy Change l = c/h	Depreciati on Expense on Assets Acquired m = f/j	Depreciat on Expense on Current Year n = g/0.5fj	Total Current Year Depreciation Expense o = l+m+n			
		a	b	c = a-b	d	e	f = d - e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g/0.5fj	o = l+m+n			
1611	Computer Software (Formerly known as Account 1925)	\$ 182,135	\$ 175,075	\$7,060.00			\$0.00	\$ 36,000	5.00	20.00%	5.00	20.00%	\$1,412.00	\$0.00	\$3,600.00	\$5,012.00	\$5,012.00	\$0.00	
1612	Land Rights (Formerly known as Account 1906)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1805	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1808	Buildings			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1810	Leasehold Improvements	\$ 4,605	\$ 4,605	\$0.02			\$0.00	\$ 500	5.00	20.00%	5.00	20.00%	\$0.00	\$0.00	\$50.00	\$50.00	\$50.00	\$0.00	
1815	Transformer Station Equipment > 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1820	Distribution Station Equipment < 50 kV			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1825	Storage Battery Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1830	Poles, Towers & Fixtures	\$ 657,786	\$ 44,591	\$613,194.91			\$0.00	\$ 40,000	45.00	2.22%	45.00	2.22%	\$13,626.55	\$0.00	\$444.44	\$14,071.00	\$14,071.00	\$0.00	
1835	Overhead Conductors & Devices	\$ 516,549	\$ 334,079	\$182,469.85			\$0.00	\$ 14,500	60.00	1.67%	60.00	1.67%	\$3,041.16	\$0.00	\$120.83	\$3,162.00	\$3,162.00	\$0.00	
1840	Underground Conduit	\$ 13,837		\$13,837.21			\$0.00		50.00	2.00%	50.00	2.00%	\$276.74	\$0.00	\$0.00	\$276.74	\$276.74	\$0.26	
1845	Underground Conductors & Devices	\$ 158,009	\$ 96,620	\$61,389.88			\$0.00	\$ 7,300	30.00	3.33%	30.00	3.33%	\$2,046.33	\$0.00	\$121.67	\$2,168.00	\$2,168.00	\$0.00	
1850	Line Transformers	\$ 345,285	\$ 67,494	\$277,790.12			\$0.00	\$ 72,300	40.00	2.50%	40.00	2.50%	\$6,944.75	\$0.00	\$911.25	\$7,856.00	\$7,856.00	\$0.00	
1855	Services (Overhead & Underground)	\$ 79,239	\$ 3,881	\$83,120.06			\$0.00	\$ 5,000	30.00	3.33%	30.00	3.33%	\$2,770.67	\$0.00	\$83.33	\$2,854.00	\$2,854.00	\$0.00	
1860	Meters	\$ 5,392		\$5,392.24			\$0.00		25.00	4.00%	25.00	4.00%	\$215.69	\$0.00	\$0.00	\$215.69	\$215.69	\$0.31	
1860	Meters (Smart Meters)	\$ 206,835	\$ 12,779	\$194,055.96			\$0.00	\$ 17,098	15.00	6.67%	15.00	6.67%	\$12,937.06	\$0.00	\$569.93	\$13,507.00	\$13,507.00	\$0.00	
1905	Land			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1908	Buildings & Fixtures			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1910	Leasehold Improvements			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1915	Office Furniture & Equipment (10 years)	\$ 32,913	\$ 13,773	\$19,140.02			\$0.00	\$ 500	10.00	10.00%	10.00	10.00%	\$1,914.00	\$0.00	\$25.00	\$1,939.00	\$1,939.00	\$0.00	
1915	Office Furniture & Equipment (5 years)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equipment - Hardware			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equip.-Hardware (Post Mar. 22/04)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1920	Computer Equip.-Hardware (Post Mar. 19/07)	\$ 30,252	\$ 22,122	\$8,130.00			\$0.00	\$ 2,500	5.00	20.00%	5.00	20.00%	\$1,626.00	\$0.00	\$250.00	\$1,876.00	\$1,876.00	\$0.00	
1930	Transportation Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1935	Stores Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1940	Tools, Shop & Garage Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1945	Measurement & Testing Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1950	Power Operated Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1955	Communications Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1955	Communication Equipment (Smart Meters)			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1960	Miscellaneous Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1970	Load Management Controls Customer Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1975	Load Management Controls Utility Premises			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1980	System Supervisor Equipment			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1985	Miscellaneous Fixed Assets			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1990	Other Tangible Property			\$0.00			\$0.00			0.00%		0.00%	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
1995	Contributions & Grants	-\$ 187,156		-\$187,155.33			\$0.00		32.44	3.08%	32.44	3.08%	-\$5,769.30	\$0.00	\$0.00	-\$5,769.30	-\$5,769.30	\$0.30	
Total		\$ 2,045,680	\$ 767,255	\$1,278,424.34	\$ -	\$ -	\$0.00	\$ 196,298					\$41,041.68	\$0.00	\$6,176.46	\$47,218.14	\$47,219.00	\$0.86	

4.8.3 DEPRECIATION EXPENSE ASSOCIATED WITH RETIREMENT OBLIGATION

Hydro 2000 does not have any asset retirement obligations (AROs) or any associated depreciation or accretion expenses related to an asset retirement obligation.³¹

4.8.4 ADOPTION OF THE HALF YEAR RULE

Hydro 2000 confirms that it has applied the half-year rule for the purposes of computing the net book value of Property, Plant and Equipment and General Plant to include in rate base.³² Under the half-year rule acquisitions and investments made during the year are amortized assuming they entered service at the mid-point of the year.

4.8.5 DEPRECIATION AND CAPITALIZATION POLICY

Hydro 2000's Depreciation rates and Capitalization Policy are presented below and also presented in Exhibit 2.^{33 34 35}

Capitalization Policy

Hydro 2000's capitalization policy has not changed since its last Cost of Service in 2012 other than it now records capital assets at cost in accordance with MIFRS accounting principles as well as guidelines set out by the Ontario Energy Board, where applicable.

All expenditures by the Corporation are classified as either capital or operating expenditures. The intention of these classifications is to allocate costs across accounting periods in a manner that appropriately matches those costs with the related current and future economic benefits. The amount to be capitalized is the cost to acquire or construct a capital asset, including any

³¹ MFR - Identification of any Asset Retirement Obligations and associated depreciation, accretion expense

³² MFR – Identification of historical depreciation practice and proposal for test year. Variances from half- year rule.

³³ MFR - Copy of depreciation/amortization policy, or equivalent written description; summary of changes to depreciation/amortization policy since last CoS

³⁴ MFR - Explanation of any deviations from the practice of depreciating significant parts or components of PP&E separately

³⁵ MFR - For any depreciation expense policy or asset service lives changes since its last rebasing application:

- identification of the changes and detailed explanation for the causes of the changes, including any changes subsequent to those made by January 1, [H1st Year]

- use of Kinectrics study or another study to justify changes in useful life

- list detailing all asset service lives tied to USoA, detail differences in TUL from Kinectrics and explain differences outside of minimum and maximum TUL range from Kinectrics; Appendix 2-BB

- File applicable depreciation appendices as provided in Chapter 2 MIFRS Appendices (Appendix 2-CA to 2-CK)

ancillary costs incurred to place a capital asset into its intended state of operation. Hydro 2000 does not currently capitalize interest on funds used for construction.

Hydro 2000's adherence to the capitalization policy can be described as follows:

- ✓ Assets that are intended to be used on an on-going basis and are expected to provide future economic benefit (generally considered to be greater than one year) will be capitalized.
- ✓ As a rule of thumb, General Plant items with an estimated useful life greater than one year and valued at greater than \$500 will be capitalized.
- ✓ Expenditures that create a physical betterment or improvement of the asset (i.e., there is a significant increase in the physical output or service capacity, or the useful life of the capital asset is extended) will be capitalized.
- ✓ With respect to vehicles, please note that Hydro 2000 does not own any vehicles.
- ✓ Maintenance services are contracted out.

Asset Retirement Policy

Hydro 2000 generally retires capital assets from its balance sheet when these assets are no longer in service.

Hydro 2000's assets are primarily related to overhead/underground poles and its supporting devices as well as office related equipment. Hydro 2000 does not own service vehicles. It employs an external contractor to maintain its distribution system.

Indirect overhead costs, such as general and administration costs that are not directly attributable to an asset, are not capitalized.

Table 25 - Depreciation Rates Appendix 2-BB

Service Life Comparison

Table F-1 from Kinetrics Report1

		Asset Details		Useful Life			USoA Account Number	USoA Account Description	CGAAP		MIFRS		Outside Range of Min, Max TUL?		
Parent*	#	Category Component Type		MIN UL	TU L	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL	
OH	1	Fully Dressed Wood Poles	Overall		35	45	75	1830	Poles, Towers and Fixtures	25	0%	50	0%	No	No
			Cross Arm	Wood	20	40	55	1830	Poles, Towers and Fixtures	25	0%	50	0%	No	No
				Steel	30	70	95	1830	Poles, Towers and Fixtures	25	0%	50	0%	No	No
TS & MS	12	Power Transformers	Overall		30	45	60	1850	Line Transformers	25	0%	40	0%	No	No
			Bushing		10	20	30								
			Tap Changer		20	30	60								
UG	24	Primary Paper Insulated Lead Covered (PILC) Cables		60	65	75	1840		25	0%	50	0%	Yes	No	
	25	Primary Ethylene-Propylene Rubber (EPR) Cables		20	25	25									
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried		20	25	30									
	27	Primary Non-TR XLPE Cables in Duct		20	25	30									
	30	Secondary PILC Cables		70	75	80	1840		25	0%	50	0%	Yes	No	
	31	Secondary Cables Direct Buried		25	35	40									
	32	Secondary Cables in Duct		35	40	60									
	33	Network Transformers	Overall	20	35	50	1815		25	0%	50	0%	No	No	
Protector	20		35	40											

Table F-2 from Kinetrics Report1

	Asset Details		Useful Life Range		USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
#	Category Component Type						Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15	1915	Office Furniture & Equipment	15	0%	15	0%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment	15	0%	15	0%	No	No
		Trailers	5	20								
		Vans	5	10								
3	Administrative Buildings		50	75								
4	Leasehold Improvements		Lease dependent									

5	Station Buildings	Station Buildings	50	75	1808	Buildings	25	0%	25	0%	Yes	No
		Parking	25	30	1808	Buildings	25	0%	25	0%	No	No
		Fence	25	60	1808	Buildings	25	0%	25	0%	No	No
		Roof	20	30	1808	Buildings	25	0%	25	0%	No	No
6	Computer Equipment	Hardware	3	5	1920	Computer Equipment	2	0%	2	0%	Yes	No
		Software	2	5	1611	Computer Software	2	0%	2	0%	No	No
1 3	Smart Meters		5	15	1860	Meters (Smart Meters)	20	0%	20	0%	No	Yes

1

2 Hydro 2000's use of depreciation rates fell within the range of the Kinectrics Report.³⁶

3

³⁶ MFR - Explanations for any useful lives of an asset that are proposed that are not within the ranges contained in the Kinectrics Report

4.9 TAXES & PAYMENTS IN LIEU OF TAXES (PILS)

4.9.1 OVERVIEW OF PILS

Hydro 2000 is required to make payments in lieu of income taxes ("taxes") based on its taxable income. Hydro 2000 files Federal/Provincial tax returns annually.

There have been no special circumstances that would require specific tax planning measures to minimize taxes payable. There are no outstanding audits, reassessments or disputes relating the tax returns filed by Hydro 2000.

There are no non-utility activities included in Hydro 2000's financial results. Therefore the entire amount of PILs payable is considered in the proposed allowance to be included in the revenue requirement.

Hydro 2000 has used the OEB PILs Tax Work Form model to calculate the amount of taxes for inclusion in its 2020 rates. PILs have been calculated under MIFRS accounting policies. The PILS model was completed by Hydro 2000's external auditor Deloitte to ensure that the current and proposed tax rates have been applied, that the amount of PILS calculated appears reasonable and that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to.

Hydro 2000's taxes for the 2020 Test Year; Under the new accounting policies, Hydro 2000's PILs amount to \$0.

The income tax sheet from the Revenue Requirement Work form is presented on the next page, and the PILs model is being filed in conjunction with this application.³⁷ Actual most recent federal and provincial tax returns are presented in Attachment 1 of this Exhibit.³⁸

Hydro 2000 is not subject to property taxes.³⁹

³⁷ MFR - Completed version of the PILs model (PDF and Excel); derivation of adjustments for historical, bridge, test years

³⁸ MFR - Most recent federal and provincial tax returns

³⁹ MFR - Explanation of how taxes other than income taxes or PILS (e.g. property taxes) are derived

1

Table 26 - Tax Provision for the Test Year

<i>Particulars</i>	<i>Application</i>	
<u><i>Determination of Taxable Income</i></u>		
		\$35,002
<i>Utility net income before taxes</i>		
<i>Adjustments required to arrive at taxable utility income</i>		-\$54,693
<i>Taxable income</i>		-\$19,691
<u><i>Calculation of Utility income Taxes</i></u>		
<i>Income taxes</i>		\$ -
<i>Capital taxes</i>		\$ -
		\$ -
<i>Total taxes</i>		
<i>Gross-up of Income Taxes</i>		\$ -
<i>Grossed-up Income Taxes</i>		\$ -
<i>PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)</i>		\$ -
<i>Other tax Credits</i>		\$ -
<u><i>Tax Rates</i></u>		
<i>Federal tax (%)</i>		9.00%
<i>Provincial tax (%)</i>		3.50%
<i>Total tax rate (%)</i>		12.5%

2 The utility's latest tax return is presented at the Attachment 1 of this Exhibit.

3 Hydro 2000 is not claiming Apprenticeship Training Tax Credits.

4 Hydro 2000 confirms that it has use of the stand-alone principle when determining PILs
5 amounts. Its auditors Deloitte verified the following information;

6 ✓ it has exercised sound tax planning and that for rate setting purposes, it maximized tax
7 credits and take the maximum deductions allowed if it made sense for the utility to do
8 so.

9 ✓ It has excluded from PILs calculations both when they were created, and when they were
10 collected, regardless of the actual tax treatment accorded those amounts.

- 1 ✓ A copy of the most recent Federal and Provincial tax is presented in Attachment 2 of this
- 2 Exhibit. ⁴⁰
- 3 ✓ Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed along
- 4 with this application.
- 5 ✓ There were no adjustments (e.g., Tax credits⁴¹, CCA adjustments) for the Historical, Bridge
- 6 and Test Years and as such, no supporting schedules and calculations and explanations
- 7 for "other additions" and "other deductions" were required. ⁴²

⁴⁰ MFR - Financial Statements included with tax returns if different from those filed with application

⁴¹ MFR - Calculation of Tax Credits; redact where required (filing of unredacted versions is not required)

⁴² MFR - Supporting schedules and calculations identifying reconciling items

4.10 NON- RECOVERABLE AND DISALLOWED EXPENSES⁴³

Hydro 2000 confirms that expenses that are deemed non-recoverable in the revenue requirement (e.g. individual charitable donations) or disallowed for regulatory purposes have been excluded from the regulatory tax calculation.

⁴³ MFR - Exclude from regulatory tax calculation any non-recoverable or disallowed expenses

4.11 PILS INTEGRITY CHECK ⁴⁴

Hydro 2000 and its external auditors confirm to the best of their knowledge that the following integrity checks have been completed in its application. In completing the PILs model, BDO confirms that;

- ✓ the depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application;
- ✓ the capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historical, bridge and test years;
- ✓ Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31st historic year UCC that agrees with the opening bridge year UCC at January 1st;
- ✓ The CCA deductions in the application's PILs tax model for historical, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application;
- ✓ Loss carry-forwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application;
- ✓ CCA is maximized even if there are tax loss carryforwards; and
- ✓ A statement is included in the application as to when the losses, if any, will be fully utilized.

⁴⁴ MFR - Completion of Integrity checks listed on p.41; statement confirming completion

4.12 CONSERVATION AND DEMAND MANAGEMENT

4.12.1 CONSERVATION AND DEMAND MANAGEMENT OVERVIEW

Conservation and Demand Management (“CDM”) programs for electricity distributors were first approved by the OEB in 2004 and have expanded since becoming a more important part of the energy policy in Ontario. The Board developed and issued the CDM Code for Electricity Distributors (the “CDM Code”) on September 16, 2010, to support the CDM framework. The CDM Code sets out the obligations along with requirements, with which electricity distributors must comply in relation to the CDM targets set out in their licenses for January 1, 2011, to December 31, 2014, CDM target period. The CDM Code was created in response to a Directive dated March 31, 2010, by the Minister of Energy and Infrastructure pursuant to sections 27.1 and 27.2 of the Ontario Energy Board Act, 1998. Section 12 of the Directive states that lost revenues that result from CDM programs should not act as a disincentive to a distributor.

The *Conservation and Demand Management Requirement Guidelines for Electricity Distributors* (EB-2014-0278 – the “2015 CDM Guidelines”), issued by the OEB on December 19, 2014, are applicable to CDM programs beginning January 1, 2015. These guidelines require distributors to continue to rely on the LRAMVA to track and dispose of lost revenues that result from approved CDM programs between 2015 and 2020.

Hydro 2000 began delivering CDM programs in 2011 to meet the mandated targets. The emphasis has been on Independent Electricity System Operator (IESO) Contracted Province-Wide Programs to residential and general service customers. Hydro 2000 has not sought approval for Board-approved CDM programs. Hydro 2000 has filed its CDM Strategy with the OEB in accordance with the CDM Code for Electricity Distributors in the fall of 2010.

The IESO provides funding for Hydro 2000’s CDM programs. Hydro 2000’s funding portfolio for 2011 to 2014 was approximate 1.040GWh and 1.36GWh and \$394,750 for the 2015-2020 period. Funding and expenditures for the delivery of IESO Contracted Province-Wide Programs are kept separate and tracked in Non-Distribution Revenue Accounts in accordance with the guidance in

Chapter 5, Accounting Treatment of the CDM Code. Therefore, CDM activities are not included in the calculation revenue requirement or revenue offsets.

Hydro 2000's intent is to meet demand and energy reduction requirements by delivering IESO-Contracted Province-Wide programs. Hydro 2000 will not be applying for any OM&A costs related to the administration and delivery of CDM programs to be recovered through the revenue requirement.

Update

As a result of the Minister of Energy, Northern Development and Mines' directive on March 20, 2019, the IESO's Conservation First Framework (CFF) was revoked. All electricity CDM activity for 2019 and 2020 will be centralized and administered by the IESO.

As distributors are no longer working towards the former 2015-2020 CDM targets, for 2019 and 2020 activity only, CDM projects that are subject to a contractual agreement entered into between the distributor and a customer by April 30, 2019 under a former CFF program should be included in the proposed CDM manual adjustment to the load forecast for 2019 and 2020. Distributors should provide relevant documentation to support the manual adjustments for 2019 and 2020 CDM projects, including the corresponding CFF program, project timelines and projected savings. Distributors should not include any savings at this time from new projects that begin on or after May 1, 2019 that are under the IESO's interim framework (May 1, 2019 to December 31, 2020).

For 2020 rate applications, distributors should ensure that the sum of the results for the 2015 to 2018 program years is consistent with the results provided by the IESO. Distributors should rely on the monthly Participation and Cost Reports made available by the IESO for 2018 CDM savings.



Hydro 2000

Q4 2018 Energy Savings

As we close out 2018, we start looking ahead to the last stretch of the Conservation First Framework, which will take place in 2019-2020. GreenSaver has developed strong relationships with Hydro 2000's clients, increased the portfolio of programs offered, and established various productive collaboration. As we begin the last two years of the framework, we are confident in our ability to deliver the expected results to Hydro 2000.

GreenSaver has invested, and is continuing to invest, significant resources to ensure we are entering 2019 with a variety of tools and initiatives which will best position us to meet our goals. These steps, such as the launch of our dedicated CDM website and our initiative to collaborate with local organizations such as BIAs and Real Estate agencies, will result in immediate impact which will be noticeable and lasting.

We anticipate that HYD Energy's 2018 energy savings will add up to ~270 MWh. These estimated results will bring HYD's four-year savings to ~970 MWh, and to ~72% of the 2015-2020 CFF target. So far in 2018 HYD has on-going and completed projects encompassing 86% of its savings target for 2018. We are on track to achieve ~90% of the 2018 target, as of December 31th, 2018.

Observations

In our Q2 and Q3 Reports we have identified several trends and reasons for the fluctuations in the annual estimates, that still hold true today. Mainly, we identified 3 factors: the 2018 Preliminary Verified still not published, GreenSaver's steps taken to increase program participation will generate savings past 2018, and plans made and executed relating to large clients will likely see projects completed and savings accrued past 2018.

In addition to these factors, the IESO Instant Savings' Deal Days program had seen a significant decline in participation.

Table 1 lists Anticipated 2018 Energy Savings based on complete projects, projects currently in process (with approved pre-application and a 2018 estimated Project End Date), and projections based on historical participation and application leads.

projects in process for all active programs in HYD Energy's territory. *Actual 2018 Savings* are generated from projects that have final applications approved and submitted to the IESO.

Table 1: Anticipated 2018 Energy Savings by Program

Program	2018 Expected Savings (gross MWh) ¹	2018 HYD Target (MWh)
Commercial Programs		
Retrofit and Audit Funding	49.90	82.80
Small Business Lighting ²	0.00	31.25
PSUI	0.00	0.00
BRI ³	20.98	14.55
HPNC	0.00	0.00
Energy Manager	0.00	0.00
Unassigned Business	0.00	74.23
Residential Programs		
Home Assistance Program ⁴	0.00	19.60
Coupon Program/Instant Discount, HVAC Program ⁵	151.91	33.50
Residential New Construction	0.00	1.80
Smart Thermostat	0.00	50.96
2016-17 Roll-over Savings	43.03	0.00
CDM Portfolio Total	265.82	308.69
Percentage of 2018 Target	86%	

¹ Actual and In-Process savings plus projections for centrally managed programs.

² Launched in Fall 2018

³ Launched in Fall 2018

⁴ Now a centrally-delivered program

⁵ Full accurate amounts have not yet been posted by the IESO

Key Updates

As mentioned in previous formal and informal communications, GreenSaver believes that as we move into 2019 the savings targets should be viewed in a full CFF framework context, and less as a year-by-year target. As different years have fluctuating goals and targets, GreenSaver has taken the long-term view of its initiatives. We acknowledge that investments made and initiatives taken in one year, may only yield savings in the following year. By operating with the Framework targets as a whole in mind, we are able to strategically plan our actions and achieve a better use of the available resources, while maximizing HYD's customer satisfaction. In addition, employing this approach will allow GreenSaver to utilize HYD's CDM budget in a conscientious manner, while allowing customers to access savings throughout the CFF.

GreenSaver's approach to the CFF in an at-large manner has ensured that HYD would not experience a depleted budget entering the last two years of the Framework, as is a concern of many LDCs. Entering the second half of CFF with a robust budget allowed programs like the Small Business Lighting and Business Refrigeration Incentive to be financially feasible, and ensured that the small-medium business segment would be well served with conservation programs. As this is a large customer segment for HYD we recognize that it is important that they were not negatively affected by budget constraints.

Below are key updates from Q4 of 2018:

- **Small Business Lighting (SBL) and Business Refrigeration Incentive (BRI) Programs** – In Q4 of 2018 GreenSaver has started the ongoing delivery of these two small-to-medium business-focused programs. We anticipate these turn-key programs to generate noteworthy savings for HYD, while assisting these businesses to reduce their electricity costs and improve different aspects of their business, such as health and safety and esthetics.
- **CDM Plan** – in December 2018 GreenSaver had submitted to the IESO an updated CDM plan. We are anticipating a response in Q1 of 2019. GreenSaver delivered on several goals in this latest plan update. First, we reassigned previous unassigned targets. Second, we removed the Home Assistance Plan (HAP), which is now centrally delivered by the IESO. Finally, we further aligned the budget to properly support our forecasts for program participation. Third, we have removed the HVAC program due to insufficient cost-effectiveness. As we progress through the CDM Plan towards the Framework's final two years, we are persisting in our continued efforts to accurately and effectively manage HYD's CFF Portfolio.

Q1 2019 Plans

In January 2019 GreenSaver will initiate several key outreach initiatives, which will assuredly increase the savings intake as we pursue the 2019-2020 targets.

Here are the key highlights from GreenSaver's plan to action for Q1 of 2019:

- The launch of a dedicated CDM Website, allowing for a streamlined outreach and communication with a large array of clients and stakeholders. This website will allow us to consolidate outreach efforts and target specific segments with key program information, while allowing for an easy communication with our CDM experts.
- The launch of a series of local Chamber of Commerce and BIA-endorsed information events, dedicated to increase project participation and client awareness.
- A planned collaboration with local commercial realtors to train them on conservation programs and to enlist their assistance in advocating for available programs and establishing connection between their clients and GreenSaver.
- Continuing our three-faceted Outreach Plan, focusing on:
 - Mid-size Customer Outreach - GreenSaver is engaged in an email and telephone outreach campaign to pursue Retrofit program opportunities with HYD's mid-sized commercial clients, including retail businesses, School Boards, industrial clients etc.
 - Builders and municipalities – centered around New Construction Programs (RNC, HPNC), and municipal-specific opportunities
 - Application representatives and contractors – focusing on program updates, the application process, and GreenSaver's free assistance
- Ramp up of Business Refrigeration Incentive (BRI) and the Small Business Lighting (SBL) Programs canvassing – following a successful launch, we intend to focus on these programs in the coming months, to leverage the desire for such programs amongst HYD's small-to-medium business clients.

These action items will allow us to lead HYD Energy to further success in meeting its energy conservation targets and engaging its customers in energy conserving and cost reducing programs.

4.12.2 LRAM VARIANCE ACCOUNT (LRAMVA)⁴⁵

On March 31, 2010, the Minister of Energy and Infrastructure issued a directive (the "Directive") to the Board regarding electricity CDM targets to be met by licensed electricity distributors. The Directive required that the Board amend the licenses of distributors to add, as a condition of the license, the requirement for distributors to achieve reductions in electricity demand through the delivery of CDM programs over a four-year period beginning January 1, 2011. Section 12 of the Directive required that the Board have regard to the objective that lost revenues that result from CDM Programs should not act as a disincentive to a distributor.

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

Distributors are required to track the variances between the OEB approved CDM adjustment to their load forecasts and the actual CDM results in the LRAMVA.

Update:

On March 20, 2019, the Minister of Energy, Northern Development and Mines issued separate directives to the OEB and the IESO. The directive to the IESO concluded the Conservation First Framework (CFF) effective immediately.

The IESO has made monthly Participation and Cost Reports available to electricity distributors from January 1, 2018 to March 31, 2019. The monthly Participation and Cost Reports include,

⁴⁵ MFR - LRAMVA - disposition of balance. Distributors must provide new LRAMVA Workform in a working Excel file and provide the following:

- statement indicating use of most recent input assumptions when calculating lost revenue
- statement indicating reliance on most recent CDM evaluation report from IESO; copy of report
- Tables for each rate class showing lost revenue by year; list of programs applicable to rate class. Within each separate rate class table, a list of all the CDM programs/initiatives applicable to that rate class and the energy savings (kWh) and peak demand (kW) savings assigned to those programs/initiatives. For peak demand (kW) savings, the monthly multiplier amount used to convert the peak demand (kW) savings value included in the IESO's final results report into an annual value for each program
- lost revenue calculations - energy savings by class and OEB-approved variable charge
- statement that indicates if carrying charges are requested

1 amongst other information, incremental first year energy savings as well as information related
2 to persistence. Results from the IESO's 2017 program evaluation have been applied to the
3 January 1, 2018 to March 31, 2019 gross unverified savings values, including net-to-gross factors
4 and gross realization rates.

5 To create the Participation and Cost Reports each distributor submitted detailed project level
6 files to the IESO that contain project level savings and costs (the monthly LDC Report
7 submission). The detailed project level savings files include all relevant information related to
8 each project the distributor has completed and submitted to the IESO.

9 To calculate net savings values at the project level, distributors should rely on results from the
10 IESO's 2017 program evaluation (e.g., net-to-gross values and gross realization rates).

11 Table 25 below shows the total LRAMVA recovery sought by the utility.

1

Table 27 - Summary of Requested LRAM Amounts

Description	Residential	GS<50 kW	GS>50	Street Lighting	Total
	kWh	kWh	kW	kW	
2011 Actuals	\$402.72	\$0.13	\$0.00	\$0.00	\$402.86
2011 Forecast	(\$1,486.38)	(\$63.14)	(\$2.96)	\$0.00	(\$1,552.48)
Amount Cleared					
2012 Actuals	\$1,169.00	\$1,642.34	\$0.00	\$0.00	\$2,811.35
2012 Forecast	(\$3,195.72)	(\$97.44)	(\$6.27)	\$0.00	(\$3,299.42)
Amount Cleared					
2013 Actuals	\$2,141.96	\$2,517.63	\$0.00	\$0.00	\$4,659.59
2013 Forecast	(\$3,393.90)	(\$85.75)	(\$5.58)	\$0.00	(\$3,485.23)
Amount Cleared					
2014 Actuals	\$3,330.30	\$2,174.58	\$0.00	\$567.50	\$6,072.38
2014 Forecast	(\$3,666.40)	(\$74.05)	(\$4.21)	\$0.00	(\$3,744.66)
Amount Cleared					
2015 Actuals	\$4,176.57	\$2,173.90	\$0.00	\$574.88	\$6,925.35
2015 Forecast	(\$3,715.95)	(\$74.83)	(\$4.26)	\$0.00	(\$3,795.04)
Amount Cleared					
2016 Actuals	\$5,657.73	\$1,942.94	\$136.41	\$574.88	\$8,311.95
2016 Forecast	(\$2,972.76)	(\$74.83)	(\$4.26)	\$0.00	(\$3,051.85)
Amount Cleared					
2017 Actuals	\$7,636.37	\$526.41	\$329.14	\$0.00	\$8,491.92
2017 Forecast	(\$2,254.34)	(\$76.39)	(\$4.33)	\$0.00	(\$2,335.06)
Amount Cleared					
2018 Forecast	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount Cleared					
2019 Actuals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2019 Forecast	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount Cleared					
2020 Actuals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2020 Forecast	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Amount Cleared					
<u>Carrying Charges</u>	(\$180.65)	\$560.16	\$8.58	\$72.27	\$460.36
Total LRAMVA Balance	\$3,649	\$10,992	\$442	\$1,790	\$16,872

2

3 Hydro 2000 has used the most recent input assumptions when calculating lost revenue and has
4 relied on the most recent final evaluation report from the Independent Electricity System
5 Operator (IESO) in support of its LRAM calculation for its contracted province-wide CDM
6 programs ("IESO Programs") for 2011-2017. Lost revenues are based on Board approved variable
7 charges and carrying charges through to April 30, 2011, up until 2017 are requested.

Hydro 2000 is not currently requesting recovery of lost revenue resulting from Board-approved programs. The IESO-Contracted Province-Wide CDM Programs Final 2017 Results are provided in Attachment 2 to this Exhibit.

None of the estimated CDM load reductions were factored into the load forecast underpinning Hydro 2000's 2012-2019 rates. Hydro 2000 has calculated any carrying charges for the applicable periods using the quarterly rates prescribed by the Board.

For further details, please refer to the enclosed Excel OEB LRAMVA Work form and IESO 2017 Final Report.

APPENDICES

Appendix A	IESO Report
Appendix B	PDF of Income Tax
Appendix C	PILs

1

Appendix A – 2017 Final IESO report

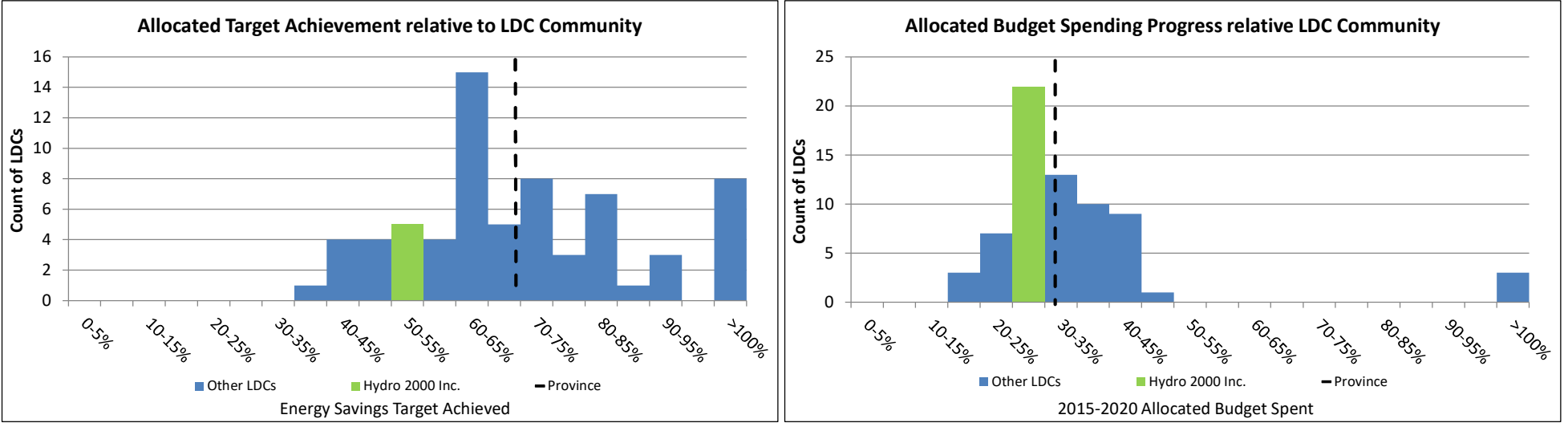
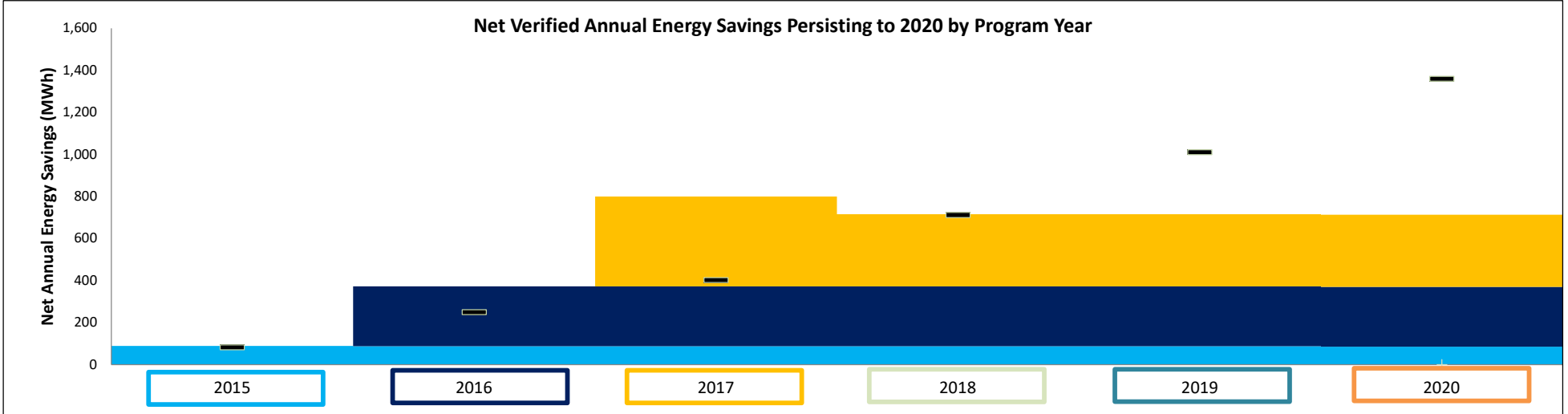
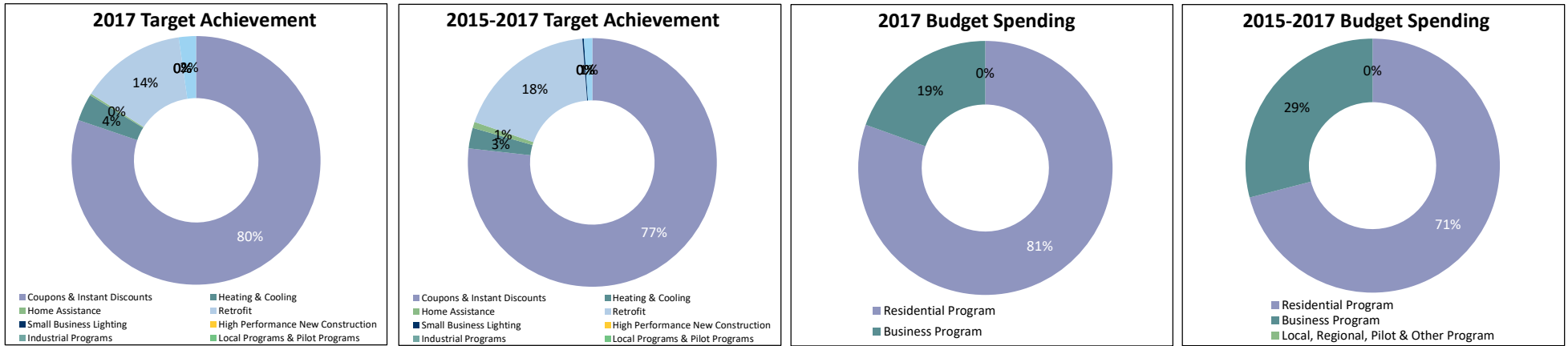
2

2017 Final Verified Annual LDC CDM Program Results Report
Summary

For: Hydro 2000 Inc.

Results		2015 Verified Results	2016 Verified Results	2017 Verified Results	2015-2017 Verified Results	Allocated Target / Budget	2015-2017 Progress versus Allocated Target / Budget	2015-2020 LDC CDM Plan Forecast	2015-2017 Progress versus 2015-2020 LDC CDM Plan Forecast	2017 LDC CDM Plan Forecast	2017 Progress versus 2017 LDC CDM Plan Forecast	2015-2017 LDC CDM Plan Forecast	2015-2017 Progress versus 2015-2017 LDC CDM Plan Forecast
1	Net Verified Annual Energy Savings Persisting to 2020	85 MWh	284 MWh	343 MWh	713 MWh	1,360 MWh	52 %	1,360 MWh	52 %	153 MWh	225 %	403 MWh	177 %
2	LDC Ranking - Net Verified Annual Energy Savings Persisting to 2020	65	63	64	63	63	59	63	55	65	10	65	5
3	Total Spending (\$)	\$ 0	\$ 41,957	\$ 57,169	\$ 99,126	\$ 394,750	25 %	\$ 394,750	25 %	\$ 65,818	87 %	\$ 103,786	96 %
4	LDC Ranking - Total Spending (\$)	41	64	67	67	63	58	66	56	68	47	67	20

Annual FCR Progress		2015 Program Year	2016 Program Year	2017 Program Year	Total 2015-2017 Framework-to-Date
1	Net Verified 2020 Annual Energy Savings from Full Cost Recovery Programs	0 MWh	284 MWh	336 MWh	620 MWh
2	CDM Plan Forecasted Net 2020 Annual Energy Savings from Full Cost Recovery Programs	20 MWh <i>(2015 Annual Milestone from FCR Programs)</i>	88 MWh <i>(2016 Annual Milestone from FCR Programs)</i>	113 MWh <i>(2017 Annual Milestone from FCR Programs)</i>	221 MWh <i>(Cumulative FCR Milestone)</i>
FCR Progress					281.1 %



1

Appendix B – Most Recent federal and provincial tax returns

2

HYDRO 2000 INC.
440, RUE ST-PHILIPPE
ALFRED, ON
K0B 1A0

Canada Revenue Agency
PO Box 3800, Station A
Sudbury (Ontario) P3A 0C3

Subject: Payment of corporate income tax

Dear Sir, Madam:

Please find enclosed the cheque for the payment of income tax for the account of the following corporation:

Name of corporation: HYDRO 2000 INC.

Taxation year end covered: December 31, 2018

Business Number (BN): 86595 5397 RC0001

Payment amount: \$ 74,194

Regards,

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2019-12-31

Business number 86595 5397 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

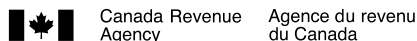
Instalment payments can be made using one of the following methods:

- electronically, using your online or telephone banking services;
- online, using the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- by setting up a pre-authorized debit agreement, in *My Business Account*, at **canada.ca/my-cra-business-account**;
- in person, at a Canadian financial institution, **by presenting the appropriate remittance voucher** with your payment.

You can also mail a cheque or a money order payable to the Receiver General of Canada, **accompanied by the appropriate remittance voucher**, to Canada Revenue Agency, P.O. Box 3800, Station A, Sudbury ON P3A 0C3.

Quarterly instalment workchart

Date	Quarterly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2019-03-31	18,549				18,549
2019-06-30	18,549				18,549
2019-09-30	18,549				18,549
2019-12-31	18,547				18,547
Totals	74,194				74,194



Information Return for Corporations Filing Electronically

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (CRA) on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- Do not submit** this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part 1 – Identification

Corporation's name HYDRO 2000 INC.			Business number 86595 5397 RC0001	
Tax year ▶	From Y M D 2018-01-01	To Y M D 2018-12-31	Is this an amended return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part 2 – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIFI (line 300)	765,700
Part I tax payable (line 700)	53,789
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	20,405

Part 3 – Certification and authorization

Sign up for online mail!

Get your CRA mail electronically delivered in My Business Account at cra.gc.ca/mybusinessaccount

I understand that by providing an email address, I am **registering** the corporation for the 'Manage online mail' service. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent.

Email address for online mail (optional): _____

I, Wilkinson Last name Lise First name Gérante Position, office, or rank _____

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the corporation income tax return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

2020-02-21
Date (yyyy/mm/dd)

Signature of an authorized signing officer of the corporation

(613) 679-4093
Telephone number

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

<u>Deloitte LLP</u> Name of person or firm	<u>A3491</u> Electronic filer number
---	---

Privacy statement

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

Canada Revenue Agency
Agence du revenu
du Canada

T2 Corporation Income Tax Return

200

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

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

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

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) 001 86595 5397 RC0001**Corporation's name**

002 HYDRO 2000 INC.

Address of head officeHas this address changed since the last time we were notified? 010 Yes ☐ No ☒

If yes, complete lines 011 to 018.

011 440, RUE ST-PHILIPPE

012 City Province, territory, or state
015 ALFRED 016 ONCountry (other than Canada) Postal or ZIP code
017 018 KOB 1A0**Mailing address** (if different from head office address)Has this address changed since the last time we were notified? 020 Yes ☐ No ☒

If yes, complete lines 021 to 028.

021 c/o
022
023 City Province, territory, or state
025 026
Country (other than Canada) Postal or ZIP code
027 028**Location of books and records** (if different from head office address)Has this address changed since the last time we were notified? 030 Yes ☐ No ☒

If yes, complete lines 031 to 038.

031
032 440, RUE ST-PHILIPPE
City Province, territory, or state
035 ALFRED 036 ON
Country (other than Canada) Postal or ZIP code
037 038 KOB 1A0**040 Type of corporation at the end of the tax year** (tick one)

- ☒ 1 Canadian-controlled private corporation (CCPC)
☐ 2 Other private corporation
☐ 3 Public corporation
☐ 4 Corporation controlled by a public corporation
☐ 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day

To which tax year does this return apply?Tax year start Tax year-end
Year Month Day Year Month Day
060 2018-01-01 061 2018-12-31**Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?**063 Yes ☐ No ☒

If yes, provide the date control was acquired 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?066 Yes ☐ No ☒**Is the corporation a professional corporation that is a member of a partnership?**067 Yes ☐ No ☒**Is this the first year of filing after:**Incorporation? 070 Yes ☐ No ☒
Amalgamation? 071 Yes ☐ No ☒

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

Has there been a wind-up of a subsidiary under section 88 during the current tax year?072 Yes ☐ No ☒

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation?076 Yes ☐ No ☒**Is this the final return up to dissolution?**078 Yes ☐ No ☒**If an election was made under section 261, state the functional currency used**

079

Is the corporation a resident of Canada?080 Yes ☒ No ☐

If no, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty?082 Yes ☐ No ☒

If yes, complete and attach Schedule 91.

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

- 085 ☐ 1 Exempt under paragraph 149(1)(e) or (l)
☐ 2 Exempt under paragraph 149(1)(j)
☐ 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
☐ 4 Exempt under other paragraphs of section 149

Do not use this area

095

096

898

Attachments

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

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

	Yes	Schedule
Is the corporation related to any other corporations?	150 <input type="checkbox"/>	9
Is the corporation an associated CCPC?	160 <input type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	151 <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167 <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168 <input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170 <input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	180 <input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221 <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <input type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 <input type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	254 <input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255 <input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input checked="" type="checkbox"/>	T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input checked="" type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input checked="" type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input checked="" type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input checked="" type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input checked="" type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input checked="" type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input checked="" type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input checked="" type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input checked="" type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input checked="" type="checkbox"/>	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the corporation inactive?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	221122 Electric Power Distribution	
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284 DISTRIBUTION D'ÉLECT	285 100.000 %
	286	287 %
	288	289 %
Did the corporation immigrate to Canada during the tax year?	291 Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292 Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293 Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295 Yes <input type="checkbox"/>	No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	765,700	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331	240,443	
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities under an employee stock options agreement			
	Subtotal	240,443	a
		240,443	B
	Subtotal (amount A minus amount B) (if negative, enter "0")	525,257	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	525,257	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		525,257	Z
Taxable income for the year from a personal services business			Z.1

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

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400	765,700	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	525,257	B
Business limit (see notes 1 and 2 below)	410	500,000	C

Notes:

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

Business limit reduction

Taxable capital business limit reduction

Amount C	500,000	x	415 ***	D	=	11,250	E
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Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7****	417	—	50,000	=	F
Amount C	500,000	x	Amount F	=	G
	100,000				

Subtotal (the greater of amount E and amount G) 422 H

Reduced business limit for tax years starting before 2019 (amount C minus amount E) (if negative, enter "0")	425	500,000	I
Reduced business limit for tax years starting after 2018 (amount C minus amount H) (if negative, enter "0")	426		J
Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5)			K

Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K) 427 500,000 L

Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K) 428 M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least	500,000	x	Number of days in the tax year before January 1, 2018	365	x	17.5 %	=	1
--	---------	---	---	-----	---	--------	---	---

Amount A, B, C, or L, whichever is the least	500,000	x	Number of days in the tax year after December 31, 2017, and before January 1, 2019	365	x	18 %	=	90,000	2
--	---------	---	--	-----	---	------	---	--------	---

Amount A, B, C, or L, whichever is the least	500,000	x	Number of days in the tax year after December 31, 2018	365	x	19 %	=	3
--	---------	---	--	-----	---	------	---	---

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least		x	19 %	=	4
--	--	---	------	---	---

Small business deduction (total of amounts 1 to 4) 430 90,000 N

Enter amount N at amount J on page 8.

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

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** Large corporations

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

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. For the first tax year starting after 2018, use the total of lines 744 of Schedule 7. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
	490	500	505
1.			
Total 510		Total 515	

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
- (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
- (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	525,257	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B
Amount 13K from Part 13 of Schedule 27		C
Personal services business income	432	D
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	500,000	E
Aggregate investment income from line 440 on page 6*		F
Subtotal (add amounts B to F)	500,000	G
Amount A minus amount G (if negative, enter "0")	25,257	H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 % **3,283** I

Enter amount I on line 638 on page 8.

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

General tax reduction

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

Taxable income from page 3 (line 360 or amount Z, whichever applies)		J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K
Amount 13K from Part 13 of Schedule 27		L
Personal services business income	434	M
Subtotal (add amounts K to M)		N
Amount J minus amount N (if negative, enter "0")		O
General tax reduction – Amount O multiplied by 13 %		P

Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	440	x	30 2 / 3 %	=		A
Foreign non-business income tax credit from line 632 on page 8						B
Foreign investment income from Schedule 7	445	x	8 %	=		C
Subtotal (amount B minus amount C) (if negative, enter "0")						D
Amount A minus amount D (if negative, enter "0")						E
Taxable income from line 360 on page 3					525,257	F
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least					500,000	G
Foreign non-business income tax credit from line 632 on page 8		x	75 / 29	=		H
Foreign business income tax credit from line 636 on page 8		x	4	=		I
Subtotal (add amounts G to I)					500,000	J
Subtotal (amount F minus amount J) (if negative, enter "0")					25,257	K
				x	30 2 / 3 %	=
						7,745 L
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)						53,789 M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least						450 N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Subtotal (line 460 minus line 465)		O
Refundable portion of Part I tax from line 450 above		P
Total Part IV tax payable from Schedule 3		Q
Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (amount P plus amount Q plus line 480)		R
Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R		485

Dividend refund (for tax years starting before 2019)

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3	10,000	x	38 1 / 3 %	=	3,833	S
Refundable dividend tax on hand at the end of the tax year from line 485 above						T
Dividend refund – Amount S or T, whichever is less						U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460		
Dividend refund for the previous tax year	465		
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480		
Subtotal (line 460 minus line 465 plus line 480)			A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)			B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D
Subtotal (amount C minus amount D) (if negative, enter "0")			E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")			F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G
Subtotal (amount F plus amount G)			H
Amount H multiplied by 38 1 / 3 %			I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M
Subtotal (amount L plus amount M)			N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTOH dividend refund for the previous tax year	570		P
Refundable portion of Part I tax (from line 450 on page 6)			Q
Part IV tax before deductions (amount 2A from Schedule 3)			R
Part IV tax allocated to ERDTOH (amount N)			S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T
Subtotal (amount R minus total of amounts S and T)			U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTOH dividend refund for the previous tax year	575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)			X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545		
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")			Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530		

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)			AA
ERDTOH balance at the end of the tax year (line 530)			BB
Eligible dividend refund (amount AA or BB, whichever is less)			CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)			DD
NERDTOH balance at the end of the tax year (line 545)			EE
Non-eligible dividend refund (amount DD or EE, whichever is less)			FF
Amount DD minus amount EE (if negative, enter "0")			GG
Amount BB minus amount CC (if negative, enter "0")			HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)			II
Dividend refund* – Amount CC plus amount FF plus amount II			JJ

Enter amount JJ on line 784 on page 9.

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 %	550	199,598	A
Additional tax on personal services business income (section 123.5)			
Taxable income from a personal services business	555	x 5 % = 560	B
Recapture of investment tax credit from Schedule 31	602		C
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)			
Aggregate investment income from line 440 on page 6			D
Taxable income from line 360 on page 3	525,257		E
Deduct:			
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	500,000		F
Net amount (amount E minus amount F)	25,257	25,257	G
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604		H
Subtotal (add amounts A, B, C, and H)		199,598	I
Deduct:			
Small business deduction from line 430 on page 4		90,000	J
Federal tax abatement	608	52,526	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains	624		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638	3,283	
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal		145,809	K
Part I tax payable – Amount I minus amount K		53,789	L
Enter amount L on line 700 on page 9.			

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	53,789
Part II surtax payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	

Total federal tax 53,789

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)
Net provincial or territorial tax payable (except Quebec and Alberta)

760 20,405
Total tax payable 770 74,194 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	
Dividend refund from amount U on page 6 or JJ on page 7	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792	
Canadian film or video production tax credit (Form T1131)	796	
Film or video production services tax credit (Form T1177)	797	
Tax withheld at source	800	

Total payments on which tax has been withheld 801

Provincial and territorial capital gains refund from Schedule 18	808	
Provincial and territorial refundable tax credits from Schedule 5	812	
Tax instalments paid	840	
Labour tax credit for qualifying journalism organizations		

Total credits 890 B

Refund code 894 Refund

Balance (amount A minus amount B) 74,194

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

Balance owing 74,194

For information on how to make your payment, go to canada.ca/payments.

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 Branch number
914 Institution number 918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due?

896 Yes ☒ No ☐

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

920 A3491

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, 950 Wilkinson 951 Lise 954 Gérante
Last name First name Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2020-02-21
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (613) 679-4093
Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below

957 Yes ☒ No ☐

958 Name of other authorized person

959 Telephone number

Language of correspondence – Langue de correspondance

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

990 2

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF1

Corporation's name	Business number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	935,961	743,729
	Total tangible capital assets	2008 +	1,012,356	974,476
	Total accumulated amortization of tangible capital assets	2009 –	278,564	229,645
	Total intangible capital assets	2178 +		
	Total accumulated amortization of intangible capital assets	2179 –		
	Total long-term assets	2589 +	343,292	733,082
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	<u>2,013,045</u>	<u>2,221,642</u>
Liabilities				
	Total current liabilities	3139 +	466,035	964,414
	Total long-term liabilities	3450 +	434,007	203,667
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	<u>900,042</u>	<u>1,168,081</u>
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	1,113,003	1,053,561
	Total liabilities and shareholder equity	3640 =	<u>2,013,045</u>	<u>2,221,642</u>
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	<u>804,268</u>	<u>744,826</u>

* Generic item

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

Income statement information

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

Account	Description	GIFI	Current year	Prior year
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Income statement information

Total sales of goods and services	8089 +	3,055,295	3,210,449
Cost of sales	8518 -	1,786,214	2,915,588
Gross profit/loss	8519 =	1,269,081	294,861
Cost of sales	8518 +	1,786,214	2,915,588
Total operating expenses	9367 +	504,257	552,958
Total expenses (mandatory field)	9368 =	2,290,471	3,468,546
Total revenue (mandatory field)	8299 +	2,366,763	3,467,107
Total expenses (mandatory field)	9368 -	2,290,471	3,468,546
Net non-farming income	9369 =	76,292	-1,439

Farming income statement information

Total farm revenue (mandatory field)	9659 +		
Total farm expenses (mandatory field)	9898 -		
Net farm income	9899 =		

Net income/loss before taxes and extraordinary items	9970 =	76,292	-1,439
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Total other comprehensive income	9998 =		
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Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975 -		
Legal settlements	9976 -		
Unrealized gains/losses	9980 +		
Unusual items	9985 -		
Current income taxes	9990 -	74,194	-2,676
Future (deferred) income tax provision	9995 -	-67,344	2,461
Total – Other comprehensive income	9998 +		
Net income/loss after taxes and extraordinary items (mandatory field)	9999 =	69,442	-1,224

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Notes Checklist

Corporation's name HYDRO 2000 INC.	Business number 86595 5397 RC0001	Tax Year End Year Month Day 2018-12-31
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- Parts 1, 2, and 3 of this schedule must be completed from the perspective of the person (referred to in these parts as the **accountant**) who prepared or reported on the financial statements. If the person preparing the tax return is not the accountant referred to above, they must still complete Parts 1, 2, 3, and 4, as applicable.
- For more information, see Guide RC4088, *General Index of Financial Information (GIFI)* and T4012, *T2 Corporation – Income Tax Guide*.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the accountant who prepared or reported on the financial statements

Does the accountant have a professional designation? **095** Yes ☒ No ☐

Is the accountant connected* with the corporation? **097** Yes ☐ No ☒

Note

If the accountant does not have a professional designation **or** is connected to the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you **do have** to complete Part 4, as applicable.

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the accountant: **198**

Completed an auditor's report 1 ☒

Completed a review engagement report 2 ☐

Conducted a compilation engagement 3 ☐

Part 3 – Reservations

If you selected option 1 or 2 under **Type of involvement with the financial statements** above, answer the following question:

Has the accountant expressed a reservation? **099** Yes ☐ No ☒

Part 4 – Other information

If you have a professional designation and are not the accountant associated with the financial statements in Part 1 above, choose one of the following options: **110**

Prepared the tax return (financial statements prepared by client) 1 ☐

Prepared the tax return and the financial information contained therein (financial statements have not been prepared) 2 ☐

Were notes to the financial statements prepared? **101** Yes ☒ No ☐

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

Are subsequent events mentioned in the notes? **104** Yes ☐ No ☒

Is re-evaluation of asset information mentioned in the notes? **105** Yes ☐ No ☒

Is contingent liability information mentioned in the notes? **106** Yes ☐ No ☒

Is information regarding commitments mentioned in the notes? **107** Yes ☒ No ☐

Does the corporation have investments in joint venture(s) or partnership(s)? **108** Yes ☐ No ☒

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year?

200 Yes ☐ No ☒

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

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	
Other	235		236	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?

250 Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year?

255 Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year?

260 Yes ☐ No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265 Yes ☐ No ☒

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

Corporation's name	Business number	Tax year end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

General Index of Financial Information
Notes to the financial statements

See attached financial statement

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

Assets – lines 1000 to 2599

1000	76,970	1062	584,097	1063	-18,570
1125	282,615	1484	10,849	1599	935,961
1774	67,503	1775	-57,694	1783	910,480
1784	-194,987	1787	34,373	1788	-25,883
2008	1,012,356	2009	-278,564	2424	343,292
2589	343,292	2599	2,013,045		

Liabilities – lines 2600 to 3499

2621	377,083	2680	73,518	2700	17
2961	15,417	3139	466,035	3220	128,084
3240	7,181	3320	298,742	3450	434,007
3499	900,042				

Shareholder equity – lines 3500 to 3640

3500	308,735	3600	804,268	3620	1,113,003
3640	2,013,045				

Retained earnings – lines 3660 to 3849

3660	744,826	3680	69,442	3701	-10,000
3849	804,268				

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

Description

Sequence number **0003** 01

Revenue – lines 8000 to 8299

8000	3,055,295	8089	3,055,295	8210	-5,516
8220	5,516	8230	-688,532	8299	2,366,763

Cost of sales – lines 8300 to 8519

8320	1,786,214	8518	1,786,214	8519	1,269,081
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Operating expenses – lines 8520 to 9369

8670	45,712	9270	458,545	9367	504,257
9368	2,290,471	9369	76,292		

Extraordinary items and taxes – lines 9970 to 9999

9970	76,292	9990	74,194	9995	-67,344
9999	69,442				

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name HYDRO 2000 INC.	Business number 86595 5397 RC0001	Tax year-end Year Month Day 2018-12-31
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 **69,442** A

Add:

Provision for income taxes – current	101	74,194	
Provision for income taxes – deferred	102	-67,344	
Amortization of tangible assets	104	45,712	
Loss on disposal of assets	111	5,516	
Subtotal of additions		58,078	58,078

Other additions:

Miscellaneous other additions:

1 Description	2 Amount			
605	295			
1 Variation actifs/passifs réglementaires	688,532			
Total of column 2	688,532	296	688,532	
Subtotal of other additions	199	688,532		688,532 D
Total additions	500	746,610		746,610

Amount A plus line 500 **816,052** B

Deduct:

Capital cost allowance from Schedule 8	403	50,352	
Subtotal of deductions		50,352	50,352

Other deductions:

Miscellaneous other deductions:

1 Description	2 Amount			
705	395			
Total of column 2		396		
Subtotal of other deductions	499	0		0 E
Total deductions	510	50,352		50,352

Net income (loss) for income tax purposes (amount B minus line 510) **765,700** C

Enter amount C on line 300 of the T2 return.



Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- Corporations must use this schedule to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d); or
 - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3).
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends received from a foreign source.
- Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

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

Important instructions to follow if the payer corporation is connected

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

	A	A1	B	C	D	E
	Name of payer corporation (from which the corporation received the dividend)		Enter 1 if payer corporation is connected	Business Number of connected corporation	Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	Non-taxable dividends under section 83
	200		205	210	220	230
1			2			
Total of column E (enter amount on line 402 of Schedule 1)						

Part 1 – Dividends received in the tax year (continued)

F	F1	G	H	I	J	K
Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) ^{note 1}		Eligible dividends included in column F	Total taxable dividends paid by connected payer corporation (for tax year in column D)	Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
240		242	250	260	265	275
1						
Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B)						1A
Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B)						1B
Subtotal (amount 1A plus amount 1B, include this amount on line 320 of the T2 Return)						1C
Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B)						1D
Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B)						1E
Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B)						1F
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B)						1G
Subtotal (amount 1F plus amount 1G)						1H
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B)						1I
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B)						1J
Subtotal (amount 1I plus amount 1J)						1K
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H minus amount 1K)						1L

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column J or column K whichever one applies. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320**

Subtotal (amount 2A minus line 320) 2B

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax (total of lines 330 to 345) 2C

Amount 2C multiplied by 38 1 / 3 % 2D

Part IV tax payable (amount 2B minus amount 2D, if negative enter "0") **360**

(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F in part 1) 2E

Amount 4A from Schedule 43 2F

Part IV tax payable on taxable dividends received from connected corporations (amount 2E minus amount 2F, if negative enter "0") 2G

(enter at amount L on page 7 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) 2H

Amount 4C from Schedule 43 2I

Part IV tax payable on eligible dividends received from non-connected corporations (amount 2H minus amount 2I, if negative enter "0") 2J

(enter at amount M on page 7 of the T2 return)

5 The program calculates the amount on line 2E from the amount on line 1F. If only a portion of the dividend refund to the connected payer corporation results in an eligible refundable dividend tax on hand (ERDTH), enter this amount on line 2E, using an override. However, if the dividend refund to the connected payer corporation does not result in an ERDTH, the amount on line 2E must be equal to "0."

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
	400	410	420	430	440
1	Corporation of the Township of Alfred and Plantagenet	89244 4779 RC0001	2018-12-31	10,000	
2					
				10,000	
				(Total of column O)	(Total of column P)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O plus line 450)	460	10,000
Total eligible dividends paid in the tax year (total of column P plus line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465)	470	10,000
Complete this part to determine the following amounts in order to calculate the dividend refund.		
Line 465 multiplied by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 multiplied by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)		3,833 3B

Part 4 – Total dividends paid in the tax year

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

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)		10,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	10,000
Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount 4A)		10,000 4B

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes 765,700 A

Deduct: (increase a loss)

Net capital losses deducted in the year (enter as a positive amount) a

Taxable dividends deductible under section 112 or subsections 113(1) or 138(6) b

Amount of Part VI.1 tax deductible under paragraph 110(1)(k) c

Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) d

Amount of an employer for non-qualified securities under an employee stock options agreement deductible under paragraph 110(1)(e) 1d

Subtotal (total of amounts a to 1d) B

Subtotal (amount A **minus** amount B; if positive, enter "0") C

Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions D

Subtotal (amount C **minus** amount D) E

Add: (decrease a loss)

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss) F

Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0") G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year 240,443 e

Deduct: Non-capital loss expired (note 1) 100 f

Non-capital losses at the beginning of the tax year (amount e **minus** amount f) 102 240,443 H

Add:

Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation 105 g

Current-year non-capital loss (from amount G) 110 h

Subtotal (amount g **plus** amount h) I

Subtotal (amount H **plus** amount I) 240,443 J

Note 1: A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	240,443 k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	l
Subtotal (total of amounts i to l)	240,443	240,443 K
Non-capital losses before any request for a carryback (amount J minus amount K) L		

Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	o
First previous tax year to reduce taxable dividends subject to Part IV tax	911	p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)	180	N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)		A

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	c
Section 80 – Adjustments for forgiven amounts	240	d
Subtotal (amount c plus amount d)		B
Subtotal (amount A minus amount B)		C

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*) 210 D

Unused non-capital losses that expired in the tax year (note 4)		e
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital losses: line 215 multiplied by 2.000000	220	E
Subtotal (total of amounts C to E)		F

Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220 above.

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6) **225** G

Capital losses before any request for a carryback (amount F **minus** amount G) H

Deduct – Request to carry back capital loss to (note 7):

	Capital gain (100%)	Amount carried back (100%)	
First previous tax year	951	h	
Second previous tax year	952	i	
Third previous tax year	953	j	
	Subtotal (total of amounts h to j)		I
	Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I) 280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year a

Deduct: Farm loss expired (note 8) **300** b

Farm losses at the beginning of the tax year (amount a **minus** amount b) **302** A

Add:

Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation ... **305** c

Current-year farm loss (amount F in Part 1) **310** d

Subtotal (amount c **plus** amount d) B

Subtotal (amount A **plus** amount B) C

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **350** e

Section 80 – Adjustments for forgiven amounts **340** f

Farm losses of previous tax years applied in the current tax year **330** g

Enter amount g on line 334 of the T2 Return.

Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9) **335** h

Subtotal (total of amounts e to h) D

Farm losses before any request for a carryback (amount C **minus** amount D) E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income **921** i

Second previous tax year to reduce taxable income **922** j

Third previous tax year to reduce taxable income **923** k

First previous tax year to reduce taxable dividends subject to Part IV tax **931** l

Second previous tax year to reduce taxable dividends subject to Part IV tax **932** m

Third previous tax year to reduce taxable dividends subject to Part IV tax **933** n

Subtotal (total of amounts i to n) F

Closing balance of farm losses to be carried forward to future tax years (amount E **minus** amount F) **380** G

Note 8: A farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business **485** A

Minus the deductible farm loss:

(amount A above – \$2,500) divided by 2 = a

Amount a or \$ 15,000 (note 10), whichever is less **2,500** b

Subtotal (amount b plus amount c) **2,500** **2,500** B

Current-year restricted farm loss (amount A minus amount B) C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year d

Deduct: Restricted farm loss expired (note 11) **400** e

Restricted farm losses at the beginning of the tax year (amount d minus amount e) **402** D

Add:

Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation **405** f

Current-year restricted farm loss (from amount C) **410** g

Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.

Subtotal (amount f plus amount g) E

Subtotal (amount D plus amount E) F

Deduct:

Restricted farm losses from previous tax years applied against current farming income **430** h

Enter amount h on line 333 of the T2 return.

Section 80 – Adjustments for forgiven amounts **440** i

Other adjustments **450** j

Subtotal (total of amounts h to j) G

Restricted farm losses before any request for a carryback (amount F minus amount G) H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income **941** k

Second previous tax year to reduce farming income **942** l

Third previous tax year to reduce farming income **943** m

Subtotal (total of amounts k to m) I

Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I) **480** J

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year a

Deduct: Listed personal property loss expired after 7 tax years **500** b

Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** **▶** A

Add: Current-year listed personal property loss (from Schedule 6) **510** B

Subtotal (amount A **plus** amount B) C

Deduct:

Listed personal property losses from previous tax years applied against listed personal property gains **530** c

Enter amount c on line 655 of Schedule 6.

Other adjustments **550** d

Subtotal (amount c **plus** amount d) **▶** D

Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D) E

Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains **961** e

Second previous tax year to reduce listed personal property gains **962** f

Third previous tax year to reduce listed personal property gains **963** g

Subtotal (total of amounts e to g) **▶** F

Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F) **580** G

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620

1.

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

1.

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680

1.

Total (enter this amount on line 335 of the T2 return)

Note

If you need more space, you can attach more schedules.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box

190

Yes

☐

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2017-12-31	240,443	N/A		N/A	240,443		
2nd preceding taxation year 2016-12-31		N/A		N/A			
3rd preceding taxation year 2015-12-31		N/A		N/A			
4th preceding taxation year 2014-12-31		N/A		N/A			
5th preceding taxation year 2013-12-31		N/A		N/A			
6th preceding taxation year 2012-12-31		N/A		N/A			
7th preceding taxation year 2011-12-31		N/A		N/A			
8th preceding taxation year 2010-12-31		N/A		N/A			
9th preceding taxation year 2009-12-31		N/A		N/A			
10th preceding taxation year 2008-12-31		N/A		N/A			
11th preceding taxation year 2007-12-31		N/A		N/A			
12th preceding taxation year 2006-12-31		N/A		N/A			
13th preceding taxation year 2005-12-31		N/A		N/A			
14th preceding taxation year 2004-12-31		N/A		N/A			
15th preceding taxation year 2003-12-31		N/A		N/A			
16th preceding taxation year 2002-12-31		N/A		N/A			
17th preceding taxation year 2001-12-31		N/A		N/A			
18th preceding taxation year 2001-09-30		N/A		N/A			
19th preceding taxation year 2000-12-31		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total	240,443				240,443		

* This balance expires this year and will not be available next year.



Canada Revenue
Agency

Agence du revenu
du Canada

Tax Calculation Supplementary – Corporations

Schedule 5

Corporation's name	Business Number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- Use this schedule if, during the tax year, your corporation:
 - had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B and D in Part 1),
 - is claiming provincial or territorial tax credits or rebates (see Part 2), or
 - has to pay taxes, other than income tax, for Newfoundland and Labrador, or Ontario (see Part 2).
- All legislative references are to the Income Tax Regulations.
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100		Enter the Regulation that applies (402 to 413)			
A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year *	B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2** (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore Yes <input type="checkbox"/>	104		144		
Prince Edward Island Yes <input type="checkbox"/>	105		145		
Nova Scotia Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore Yes <input type="checkbox"/>	108		148		
New Brunswick Yes <input type="checkbox"/>	109		149		
Quebec Yes <input type="checkbox"/>	111		151		
Ontario Yes <input type="checkbox"/>	113		153		
Manitoba Yes <input type="checkbox"/>	115		155		
Saskatchewan Yes <input type="checkbox"/>	117		157		
Alberta Yes <input type="checkbox"/>	119		159		
British Columbia Yes <input type="checkbox"/>	121		161		
Yukon Yes <input type="checkbox"/>	123		163		
Northwest Territories Yes <input type="checkbox"/>	125		165		
Nunavut Yes <input type="checkbox"/>	126		166		
Outside Canada Yes <input type="checkbox"/>	127		167		
Total	129 G		169 H		

* **Permanent establishment** is defined in subsection 400(2)

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

Notes:

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

Part 2 – Ontario tax payable, tax credits, and rebates

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
525,257	500,000	525,257	20,405

Ontario basic income tax (from Schedule 500)	270	60,405	
Ontario small business deduction (from Schedule 500)	402	40,000	
Subtotal (line 270 minus line 402)		20,405	▶ 20,405 5A
Ontario transitional tax debits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 plus line 277)			▶ 5B
Gross Ontario tax (amount 5A plus amount 5B)		20,405	5C
Ontario resource tax credit (from Schedule 504)	404		
Ontario tax credit for manufacturing and processing (from Schedule 502)	406		
Ontario foreign tax credit (from Schedule 21)	408		
Ontario credit union tax reduction (from Schedule 500)	410		
Ontario political contributions tax credit (from Schedule 525)	415		
Ontario non-refundable tax credits (total of lines 404 to 415)			▶ 5D
Subtotal (amount 5C minus amount 5D) (if negative, enter "0")		20,405	5E
Ontario research and development tax credit (from Schedule 508)	416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E minus line 416) (if negative, enter "0")		20,405	5F
Ontario corporate minimum tax credit (from Schedule 510)	418		
Ontario community food program donation tax credit for farmers (from Schedule 2)	420		
Ontario corporate income tax payable (amount 5F minus the total of lines 418 and 420) (if negative, enter "0")		20,405	5G
Ontario corporate minimum tax (from Schedule 510)	278		
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 plus line 280)			▶ 5H
Total Ontario tax payable before refundable tax credits (amount 5G plus amount 5H)		20,405	5I
Ontario qualifying environmental trust tax credit	450		
Ontario co-operative education tax credit (from Schedule 550)	452		
Ontario apprenticeship training tax credit (from Schedule 552)	454		
Ontario computer animation and special effects tax credit (from Schedule 554)	456		
Ontario film and television tax credit (from Schedule 556)	458		
Ontario production services tax credit (from Schedule 558)	460		
Ontario interactive digital media tax credit (from Schedule 560)	462		
Ontario sound recording tax credit (from Schedule 562)	464		
Ontario book publishing tax credit (from Schedule 564)	466		
Ontario innovation tax credit (from Schedule 566)	468		
Ontario business-research institute tax credit (from Schedule 568)	470		
Ontario refundable tax credits (total of lines 450 to 470)			▶ 5J
Net Ontario tax payable or refundable tax credit (amount 5I minus amount 5J)	290	20,405	
(if a credit, enter amount in brackets) Include this amount on line 255.			

Summary

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

Net provincial and territorial tax payable or refundable tax credits 255 20,405

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.

If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.



Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes ☐ No ☒

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1	Équip distr. > 1987	131,815						0	
2. 2	Équip Distr < 1988	114,231						0	
3. 8	Équip de bureau	4,914						0	
4. 50	Équipements informatiques > 18 mars 2018	1,513						0	
5. 47	Distr Feb 22, 2005 and later	354,989	41,247	20,627				0	
6. 12	Logiciels	3,386						0	
7. 14.1		650						0	
Totals		611,498	41,247	20,627					

1 Class number * See note 1	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
200						224	212	213	215	217	220
1. 1	Équip c	131,815					4	0	0	5,273	126,542
2. 2	Équip l	114,231					6	0	0	6,854	107,377
3. 8	Équip c	4,914					20	0	0	983	3,931
4. 50	Équipe	1,513					55	0	0	832	681

	1 Class number *	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
	200						224	212	213	215	217	220
5.	47	Distr F	396,236	7	20,620	10,310		8	0	0	32,524	363,712
6.	12	Logicie	3,386					100	0	0	3,386	
7.	14.1		650					5	0	0	500	150
	Totals		652,745	7	20,620	10,310					50,352	602,393

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
 - 1 1/2 for property in Class 55;
 - 1 for property in Classes 43.2 and 53;
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
 - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1;
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
 - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
 - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
 - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
 - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

Fixed Assets Reconciliation

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

Tax return

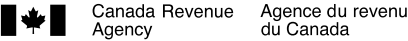
Additions for tax purposes – Schedule 8 regular classes		41,247	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
Other (specify):			
Amortissement apports	+		
Total additions per books	=	41,247	▶ 41,247
Proceeds up to original cost – Schedule 8 regular classes			
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
Other (specify):			
	+		
Total proceeds per books	=		▶
Depreciation and amortization per accounts – Schedule 1		–	45,712
Loss on disposal of fixed assets per accounts		–	5,516
Gain on disposal of fixed assets per accounts		+	
Net change per tax return	=		-9,981

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		733,792	
Opening net book value	–	744,831	
Net change per financial statements	=		-11,039

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



Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	MUNICIPALITÉ DU CANTON D'ALFRED ET PLANTAGENI	89244 4779 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

General Rate Income Pool (GRIP) Calculation

Corporation's name HYDRO 2000 INC.	Business number 86595 5397 RC0001	Tax year-end Year Month Day 2018-12-31
---	--	--

On: 2018-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 Corporation Income Tax Return. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006?
Enter the date and go directly to question 4 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? ☒ Yes ☐ No
- If the answer to question 3 is yes, complete Part "GRIP addition for 2006".**

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC ☐ Yes ☒ No
- If the answer to question 5 is yes, complete Part 4.**

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation ☐ Yes ☒ No
- If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.**
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? ☐ Yes ☐ No
- If the answer to question 7 is yes, complete Part 4.**
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? ☐ Yes ☐ No
- If the answer to question 8 is yes, complete Part 3.**

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? ☐ Yes ☒ No
- If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.**
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? ☐ Yes ☐ No
- If the answer to question 10 is yes, complete Part 4.**
11. Was the subsidiary a CCPC or a DIC during its last taxation year? ☐ Yes ☐ No
- If the answer to question 11 is yes, complete Part 3.**

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year		100	
Taxable income for the year (DICs enter "0") *	110	525,257	
Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least *	130	500,000	
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income *	140		
Subtotal (line 130 plus line 140)		500,000	▶ 500,000 A
Income taxable at the general corporate rate (line 110 minus amount A) (if negative enter "0")	150	25,257	
After-tax income (line 150 multiplied by 0.72 (the general rate factor for the tax year))			190 18,185
Eligible dividends received in the tax year	200		
Dividends deductible under section 113 received in the tax year	210		
Subtotal (line 200 plus line 210)			▶ B
Becoming a CCPC (amount W5 in Part 4)	220		
Post-amalgamation (total of amounts E4 in Part 3 and amounts W5 in Part 4)	230		
Post-wind-up (total of amounts E4 in Part 3 and amounts W5 in Part 4)	240		
Subtotal (add lines 220, 230, and 240)	290		▶
Subtotal (add lines 100, 190, 290, and amount B)			18,185 C
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year (If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)	310		
Subtotal (line 300 minus line 310)			▶ D
GRIP before adjustment for specified future tax consequences (amount C minus amount D) (amount can be negative)		490	18,185
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2)		560	
GRIP at the end of the tax year (line 490 minus line 560)		590	18,185

Enter this amount on line 160 of Schedule 55.

* For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (e.g., flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2017-12-31

Taxable income before specified future tax consequences
from the current tax year A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and
427 or 428** of the T2 return,
whichever is the least B1

Aggregate investment income
(line 440 of the T2 return) C1

Subtotal (amount B1 **plus** amount C1) ▶ D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") ▶ E1

Future tax consequences that occur for the current year

Amount carried back from the current year to a prior year

Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, and
427 or 428** of the T2 return,
whichever is the least G1

Aggregate investment income
(line 440 of the T2 return) H1

Subtotal (amount G1 **plus** amount H1) ▶ I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ▶ J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") K1

GRIP adjustment for specified future tax consequences to the first previous tax year

(amount K1 **multiplied** by 0.72) **500**

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2016-12-31

Taxable income before specified future tax consequences from
the current tax year A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and
427 or 428** of the T2 return,
whichever is the least B2

Aggregate investment income
(line 440 of the T2 return) C2

Subtotal (amount B2 **plus** amount C2) D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") E2

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, and
427 or 428** of the T2 return,
whichever is the least G2

Aggregate investment income
(line 440 of the T2 return) H2

Subtotal (amount G2 **plus** amount H2) _____ ► _____ I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") = J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") _____ K2

GRIP adjustment for specified future tax consequences to the second previous tax year

(amount K2 multiplied by 0.72) **520**

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2015-12-31

Taxable income before specified future tax consequences from
the current tax year A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, and
427 or 428** of the T2 return,
whichever is the least B3

Aggregate investment income
(line 440 of the T2 return) C3

Subtotal (amount B3 **plus** amount C3) D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") E3

Future tax consequences that occur for the current year					
Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	Capital loss carry-back	Restricted farm loss carry-back	Farm loss carry-back	Other	Total carrybacks

Taxable income after specified future tax consequences F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, and
427 or 428** of the T2 return,
whichever is the least G3

Aggregate investment income
(line 440 of the T2 return) H3

Subtotal (amount G3 **plus** amount H3) _____ **▶** _____ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") _____ K3

GRIP adjustment for specified future tax consequences to the third previous tax year

(amount K3 multiplied by 0.72) **540**

Total GRIP adjustment for specified future tax consequences to previous tax years:

(add lines 500, 520, and 540) (if negative, enter "0") L3

Enter amount L3 on line 560 in part 1.

** If your tax year starts before 2019, use line 427. If your tax year starts after 2018, use line 428.

**Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up
(predecessor or subsidiary was a CCPC or a DIC in its last tax year)**

nb. 1 Post amalgamation . . . ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year _____ A4

Eligible dividends paid by the corporation in its last tax year _____ B4

Excessive eligible dividend designations made by the corporation in its last tax year _____ C4

Subtotal (amount B4 **minus** amount C4) _____  _____ D4

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)
(amount A4 **minus** amount D4) _____ E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

**Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up
(predecessor or subsidiary was not a CCPC or a DIC in its last tax year),
or the corporation is becoming a CCPC**

nb. 1 Corporation becoming a CCPC ☐ Post amalgamation ☐ Post wind-up ☐

Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.

Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.

Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.

In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year A5

The corporation's money on hand immediately before the end of its previous/last tax year B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses C5

Net capital losses D5

Farm losses E5

Restricted farm losses F5

Limited partnership losses G5

Subtotal (add amounts C5 to G5) H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses I5

Net capital losses J5

Farm losses K5

Restricted farm losses L5

Limited partnership losses M5

Subtotal (add amounts I5 to M5) N5

Unused and unexpired losses at the end of the corporation's previous/last tax year
(amount H5 minus amount N5) O5

Subtotal (add amounts A5, B5, and O5) P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year R5

All the corporation's reserves deducted in its previous/last tax year S5

The corporation's capital dividend account immediately before the end of its previous/last tax year T5

The corporation's low rate income pool immediately before the end of its previous/last tax year U5

Subtotal (add amounts Q5 to U5) V5

**GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year),
or the corporation is becoming a CCPC** (amount P5 minus amount V5) (if negative, enter "0") W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.



Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Do not use this area

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____	
Taxable dividends paid in the tax year included in Schedule 3	10,000	
Total taxable dividends paid in the tax year	100 10,000	
Total eligible dividends paid in the tax year	150 _____	A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	160 18,185	B
Excessive eligible dividend designation (line 150 minus line 160)	_____	C
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	180 _____	D
Subtotal (amount C minus amount D)	_____	E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	190 _____	F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____	
Taxable dividends paid in the tax year included in Schedule 3	_____	
Total taxable dividends paid in the tax year	200 _____	
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)	_____	G
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	280 _____	H
Subtotal (amount G minus amount H)	_____	I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	290 _____	J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- Use this schedule if your corporation had a permanent establishment, under section 400 of the federal Income Tax Regulations, in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income ^{Note 1}	525,257	1A
Ontario basic rate of tax for the year	11.5 %	1B
Ontario basic income tax (amount 1A multiplied by amount 1B) ^{Note 2}	60,405	1C

Note 1 If your corporation had a permanent establishment only in Ontario, enter the amount from line 360 or amount Z, whichever applies, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2 If your corporation had a permanent establishment in more than one jurisdiction, or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	765,700	2A
Line 405 of the T2 return	525,257	2B
If your tax year starts before 2019, line 427 of the T2 return	500,000	2C
If your tax year starts after 2018		
Line 410 of the T2 return		2D
Line 415 of the T2 return		2E
Amount 2D x Amount 2E	11,250	2F
Line 515 of the T2 return		2G
Subtotal (amount 2D minus amount 2F minus amount 2G)		2H
Amount 2A, 2B, and 2C or 2H, whichever is least	500,000	2I
Ontario domestic factor (ODF):	Taxable income for Ontario ^{Note 3} 525,257.00 = Taxable income for all provinces ^{Note 4} 525,257	1.00000 2J
Amount 2I multiplied by amount 2J	500,000	2K
Ontario taxable income (amount 1A)	525,257	2L
Ontario small business income (amount 2K or 2L, whichever is least)	500,000	2M

Part 2 – Ontario small business deduction (OSBD) (continued)

Ontario small business deduction rate for the year

Number of days in the tax year before January 1, 2018		x	7 %	=		% 2N.1
Number of days in the tax year	365					
Number of days in the tax year after December 31, 2017 and before January 1, 2020	365	x	8 %	=	8.00000	% 2N.2
Number of days in the tax year	365					
Number of days in the tax year after December 31, 2019		x	8.3 %	=		% 2N.3
Number of days in the tax year	365					

OSBD rate for the year (rate 2N.1 **plus** rate 2N.2 **plus** rate 2N.3) 8.00000 % ► 8.00000 % 2N.4

Ontario small business deduction (amount 2M **multiplied** by rate 2N.4) 40,000 2N

Enter amount 2N on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (amount 1A or 2I, whichever is least) 500,000 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 3C of Schedule 17 4A

Ontario adjusted small business income (amount 3A) 4B

Subtotal (amount 4A **minus** amount 4B, if negative, enter "0") 4C

Amount 4C **multiplied** by amount 2N.4 4D

Ontario domestic factor (amount 2J) 1.00000 4E

Ontario credit union tax reduction (amount 4D **multiplied** by amount 4E) 4F

Enter amount 4F on line 410 of Schedule 5.

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
 - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
 - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
 - 4) a congregation or business agency to which section 143 of the federal Act applies;
 - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	2,013,045
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	
Total assets (total of lines 112 to 116)		2,013,045
Total revenue of the corporation for the tax year **	142	2,366,763
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	
Total revenue (total of lines 142 to 146)		2,366,763

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *		210	69,442
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220	74,194	
Provision for deferred income taxes (debits)/cost of future income taxes	222		
Equity losses from corporations	224		
Financial statement loss from partnerships and joint ventures	226		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230		
Other additions (see note below):			
Share of adjusted net income of partnerships and joint ventures **	228		
Total patronage dividends received, not already included in net income/loss	232		
281	282		
283	284		
	Subtotal	74,194	74,194 A
Deduct (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	320		
Provision for deferred income taxes (credits)/benefit of future income taxes	322	67,344	
Equity income from corporations	324		
Financial statement income from partnerships and joint ventures	326		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332		
Gain on donation of listed security or ecological gift	340		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348		
Other deductions (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	328		
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338		
381	382		
383	384		
385	386		
387	388		
389	390		
	Subtotal	67,344	67,344 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)		490	76,292

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* Rules for net income/loss

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.
- ** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.
- *** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.
- **** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.
- ***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) **515**

Deduct:

CMT loss available (amount R from Part 7) 1,439

Minus: Adjustment for an acquisition of control * **518**

Adjusted CMT loss available 1,439 ▶ 1,439 C

Net income subject to CMT calculation (if negative, enter "0") **520**

Amount from line 520	x	Number of days in the tax year before July 1, 2010	x	4 % =	1
		Number of days in the tax year	365		

Amount from line 520	x	Number of days in the tax year after June 30, 2010	x	2.7 % =	2
		Number of days in the tax year	365		

Subtotal (amount 1 **plus** amount 2) 3

Gross CMT: amount on line 3 above x OAF ** **540**

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 20,405

Net CMT payable (if negative, enter "0") E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** Calculation of the Ontario allocation factor (OAF):

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income ****	=	
Taxable income *****		

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	_____	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	620	
Add:		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	650	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)		H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	J
Add:		
Net CMT payable (amount E from Part 3)		
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
– do not enter an amount on line G or line 600;
– for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)	_____	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	20,405	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	_____	2
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	_____	3
Gross SAT (line 460 from Part 6 of Schedule 512)	_____	4
The greater of amounts 3 and 4	_____	5
	Deduct: line 2 or line 5, whichever applies:	6
	Subtotal (if negative, enter "0")	20,405
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	20,405	
Deduct:		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	_____	
	Subtotal (if negative, enter "0")	20,405
CMT credit deducted in the current tax year (least of amounts M, N, and O)		P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year *	1,439	Q
Deduct:		
CMT loss expired *	700	
CMT loss carryforward at the beginning of the tax year * (see note below)	1,439	720 1,439
Add:		
CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below)	750	
CMT loss available (line 720 plus line 750)		1,439 R
Deduct:		
CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3)	1,439	
Subtotal (if negative, enter "0")		S
Add:		
Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if negative) (enter as a positive amount)	760	
CMT loss carryforward balance at the end of the tax year (amount S plus line 760)	770	T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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

Name of corporation	Business Number	Tax year-end Year Month Day
HYDRO 2000 INC.	86595 5397 RC0001	2018-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record) HYDRO 2000 INC.			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent Ontario	110 Date of incorporation or amalgamation, whichever is the most recent Year Month Day 2000-09-29	120 Ontario Corporation No. 1427551	

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

200 Care of (if applicable)			
210 Street number 265	220 Street name/Rural route/Lot and Concession number rue St-Philippe	230 Suite number	
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town) Alfred	260 Province/state ON	270 Country CA	280 Postal/zip code K0B 1A0

Part 3 – Change identifier

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

- 300** ☒ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 Wilkinson	451 Lise
Last name	First name
454 _____, Middle name(s)	

- 460** ☒ 1 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	<input type="checkbox"/>	Please enter one of the following numbers in this box:			1 - Show no mailing address on the MGS public record.			
					2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule.			
					3 - The corporation's complete mailing address is as follows:			
510	Care of (if applicable)							
520	Street number	530	Street name/Rural route/Lot and Concession number		540	Suite number		
550	Additional address information if applicable (line 530 must be completed first)							
560	Municipality (e.g., city, town)		570	Province/state	580	Country	590	Postal/zip code

Part 6 – Language of preference

600	<input type="checkbox"/>	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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Corporate Taxpayer Summary

Corporate information

Corporation's name HYDRO 2000 INC.																
Taxation Year 2018-01-01 to 2018-12-31																
Jurisdiction Ontario																
BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporation is associated N																
Corporation is related N																
Number of associated corporations																
Type of corporation Canadian-Controlled Private Corporation																
Total amount due (refund) federal and provincial* 74,194																

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensitive help.

Summary of federal information

Net income	765,700
Taxable income	525,257
Donations	
Calculation of income from an active business carried on in Canada	765,700
Dividends paid	10,000
Dividends paid – Regular	10,000
Dividends paid – Eligible	
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	
Balance of the general rate income pool at the end of the year	18,185
Part I tax (base amount)	199,598

Credits against part I tax	Summary of tax	Refunds/credits
Small business deduction 90,000	Part I 53,789	ITC refund
M&P deduction	Part IV	Dividends refund:
Foreign tax credit	Part III.1	– Eligible dividends
Investment tax credits	Other*	– Non-eligible dividends
Abatement/Other* 55,809	Provincial or territorial tax 20,405	Instalments
		Other*
		Balance due/refund (–) 74,194

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	765,700		
Taxable income	525,257		
% Allocation	100.00		
Attributed taxable income	525,257		
Tax payable before deduction*	60,405		
Deductions and credits	40,000		
Net tax payable	20,405		
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	20,405		
Instalments and refundable credits			
Balance due/Refund (-)	20,405		
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
HYDRO 2000 INC.	1,053,561	1,053,561	1,113,003	1,113,003
Total	1,053,561	1,053,561	1,113,003	1,113,003

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN) and to determine the applicability of Form CO-1029.8.33.TE	Paid-up capital used to calculate the \$1 million deduction (CO-1137.A and CO-1137.E)	Paid-up capital used to determine the applicability of Form CO-737.SI
Total				

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information (T2)					
Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Net income	765,700	-258,288	17,845	-55,847	-51,972
Taxable income	525,257		17,845		
Active business income	765,700		17,845		
Dividends paid	10,000	10,000			
Dividends paid – Regular	10,000	10,000			
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year	18,185				
Donations					
Balance due/refund (-)	74,194		2,676		-20,332
Line 996 – Amended tax return	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loss carrybacks requested in prior years to reduce taxable income					
Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Taxable income before loss carrybacks	N/A	N/A	17,845		
Non-capital losses	N/A	N/A	17,845		
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A	17,845		
Adjusted taxable income after loss carrybacks	N/A	N/A			
Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)					
Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Adjusted taxable income before current year loss carrybacks*	N/A				N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A				N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

** The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

*** The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Part I	53,789		1,873		
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Credits against part I tax

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Small business deduction	90,000		3,123		
M&P deduction					
Foreign tax credit					
Investment tax credit					
Abatement/other*	55,809		1,785		

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Refunds/credits

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments					20,332
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensitive help.

Ontario

Taxation year end	2018-12-31	2017-12-31	2016-12-31	2015-12-31	2014-12-31
Net income	765,700	-258,288	17,845	-55,847	-51,972
Taxable income	525,257		17,845		
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income	525,257		17,845		
Surtax					
Income tax payable before deduction	60,405		2,052		
Income tax deductions /credits	40,000		1,249		
Net income tax payable	20,405		803		
Taxable capital					
Capital tax payable					
Total tax payable*	20,405		803		
Instalments and refundable credits					
Balance due/refund**	20,405		803		

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.

Keep this note when rolling forward the file ☐

Appendix C – PDF of PILs Model

Income Tax/PILs Workform for 2020 Filers

Version 1.10

Utility Name	Hydro 2000 Inc.
Assigned EB Number	EB-2019-0041
Name and Title	Lise Wilkinson, General Manager
Phone Number	613-679-4093
Email Address	lsawilkinson@hydro2000.com
Date	February 24, 2020
Last COS Re-based Year	2012

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Instructions

Purpose

The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab **T0** and is based on the inputs on the other tabs.

Tab **S Summary** is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform.

Tab **S1 Integrity Checks** must be completed after the completion of the PILs calculation in this workbook.

Methodology

To calculate the PILs for the Test Year:

- 1) input the balances from the income tax return of the Historical Year in tabs **H1** to **H13**.
- 2) input the balances for the Bridge Year and the Test Year.

Inputs should include:

- non-deductible expenses (Schedule 1 - **B1** and **T1**)
- loss carryforward (Schedule 4 - **B4** and **T4**)
- capital cost allowance (Schedule 8 - **B8** and **T8**)
- non-deductible reserves (Schedule 13 - **B13** and **T13**)

- 3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab **T0** is reasonable.

Other Notes

Tab **H0** to **H13** relate to the Historical Year.

Tab **B0** to **B13** relate to the Bridge Year.

Tab **T0** to **T13** relate to the Test Year.

The amounts on tabs **H0** to **H13** should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

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

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



Income Tax/PILs Workform for 2020 Filers

[1. Info](#)

[S. Summary](#)

[A. Data Input Sheet](#)

[B. Tax Rates & Exemptions](#)

Historical Year

[H0 - PILs, Tax Provision Historical Year](#)

[H1 - Adj. Taxable Income Historical Year](#)

[H4 - Schedule 4 Loss Carry Forward Historical Year](#)

[H8 - Schedule 8 Historical](#)

[H13 - Schedule 13 Tax Reserves Historical](#)

Bridge Year

[B0 - PILs, Tax Provision Bridge Year](#)

[B1 - Adj. Taxable Income Bridge Year](#)

[B4 - Schedule 4 Loss Carry Forward Bridge Year](#)

[B8 - Schedule 8 CCA Bridge Year](#)

[B13 - Schedule 13 Tax Reserves Bridge Year](#)

Test Year

[T0 PILs, Tax Provision Test Year](#)

[T1 Taxable Income Test Year](#)

[T4 Schedule 4 Loss Carry Forward Test Year](#)

[T8 Schedule 8 CCA Test Year](#)

[T13 Schedule 13 Reserve Test Year](#)



Ontario Energy Board

Income Tax/PILs Workform for 2020 Filers

No inputs required on this worksheet.

Income Tax/PILs Workform for 2020 Filers

Integrity Checks

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

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

Income Tax/PILs Workform for 2020 Filers

		Test Year	Bridge Year	
Rate Base	S	\$ 1,027,058	\$ 1,186,308	
Return on Ratebase				
Deemed ShortTerm Debt %	4.00%	T \$ 41,082	$W = S * T$	
Deemed Long Term Debt %	56.00%	U \$ 575,152	$X = S * U$	
Deemed Equity %	40.00%	V \$ 410,823	$Y = S * V$	
Short Term Interest Rate	2.75%	Z \$ 1,130	$AC = W * Z$	
Long Term Interest	3.21%	AA \$ 18,462	$AD = X * AA$	
Return on Equity (Regulatory Income)	8.52%	AB \$ 35,002	$AE = Y * AB$	T1
Return on Rate Base		\$ 54,594	$AF = AC + AD + AE$	

Questions that must be answered

- Does the applicant have any Investment Tax Credits (ITC)?
- Does the applicant have any SRED Expenditures?
- Does the applicant have any Capital Gains or Losses for tax purposes?
- Does the applicant have any Capital Leases?
- Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?
- Since 1999, has the applicant acquired another regulated applicant's assets?
- Did the applicant pay dividends?
If Yes, please describe the tax treatment in the manager's summary.
- Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?

Historical Year	Bridge Year	Test Year
No	No	No
No	No	No
No	No	No
No	No	No
Yes	No	No
No	No	No
Yes	Yes	Yes
No	No	No

Income Tax/PILs Workform for 2020 Filers

Tax Rates
**Federal & Provincial
As of MMM XX, 2019**
Federal income tax

General Corporate Rate

Federal Tax Abatement

Adjusted Federal Rate

Rate Reduction

Federal Income Tax
Ontario Income Tax
Combined Federal and Ontario
Federal & Ontario Small Business

Federal Small Business Limit

Ontario Small Business Limit

Federal Small Business Rate

Ontario Small Business Rate

	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020
General Corporate Rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal Tax Abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted Federal Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate Reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario Income Tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined Federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000
Federal Small Business Rate	11.00%	10.50%	10.50%	10.00%	9.00%	9.00%
Ontario Small Business Rate	4.50%	4.50%	4.50%	3.50%	3.50%	3.50%

Notes

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



Income Tax/PILs Workform for 2020 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

Regulatory Taxable Income
Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%)
Federal tax rate (Maximum 15%)
Combined tax rate (Maximum 26.5%)

10.24%

3.88%

B

C

H1

Wires Only

\$ 525,257 A

14.13% D = B+C

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

\$ 74,194 E = A * D

F

G

\$ - H = F + G

Corporate PILs/Income Tax Provision for Historical Year

\$ 74,194 I = E - H

Income Tax/PILs Workform for 2020 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	(A + 101 + 102)	76,292		76,292
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	45,712		45,712
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Income inclusion under subparagraph 13(38)(j)(ii) from Schedule 10	108			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	5,516		5,516
Charitable donations and gifts from Schedule 2	112			0
Taxable capital gains from Schedule 6	113			0
Political contributions	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121			0
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements – balance at the end of the year	126			0
Soft costs on construction and renovation of buildings	127			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other additions				
Interest Expensed on Capital Leases	295			0
Realized Income from Deferred Credit Accounts	295			0
Pensions	295			0
Non-deductible penalties	295			0
	295			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(xi))				0
Lease Inducements Received (ITA 12(1)(xi))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Variances in regulated assets and liabilities		688,532		688,532
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		739,760	0	739,760
Deductions:				
Gain on disposal of assets per financial statements	401			0
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403	50,352		50,352
Terminal loss from Schedule 8	404			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions				
Interest capitalized for accounting deducted for tax	395			0
Capital Lease Payments	395			0
Non-taxable imputed interest income on deferral and variance accounts	395			0
	395			0
	395			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
Total Deductions		50,352	0	50,352
Net Income for Tax Purposes		765,700	0	765,700
Charitable donations from Schedule 2	311			0
Taxable dividends received under section 112 or 113	320			0
Non-capital losses of previous tax years from Schedule 4	331	240,443		240,443
Net capital losses of previous tax years from Schedule 4	332			0
Limited partnership losses of previous tax years from Schedule 4	335			0
TAXABLE INCOME		525,257	0	525,257



Income Tax/PILs Workform for 2020 Filers

Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction			
Actual Historical			0

[B4](#)

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

[B4](#)

Income Tax/PILs Workform for 2020 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Buildings, Distribution System (acq'd post 1987)	\$ 126,542		\$ 126,542
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]			\$ -
2	Distribution System (acq'd pre 1988)	\$ 107,377		\$ 107,377
3	Buildings (acq'd pre 1988)			\$ -
6	Certain Buildings; Fences			\$ -
8	General Office Equipment, Furniture, Fixtures	\$ 3,931		\$ 3,931
10	Motor Vehicles, Fleet			\$ -
10.1	Certain Automobiles			\$ -
12	Computer Application Software (Non-Systems)	\$ -		\$ -
13 ₁	Lease # 1			\$ -
13 ₂	Lease # 2			\$ -
13 ₃	Lease # 3			\$ -
13 ₄	Lease # 4			\$ -
14	Limited Period Patents, Franchises, Concessions or Licences			\$ -
14.1	Eligible Capital Property (acq'd pre 2017)	\$ 150		\$ 150
14.1	Eligible Capital Property (acq'd post 2016)			\$ -
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage			\$ -
42	Fibre Optic Cable			\$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			\$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			\$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)			\$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			\$ -
47	Distribution System (acq'd post Feb 22/05)	\$ 363,712		\$ 363,712
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 681		\$ 681
95	CWIP			\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
	SUB-TOTAL - UCC	602,393	0	602,393



Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
Total	0	0	0
Financial Statement Reserves (not deductible for Tax Purposes)			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	0	0	0

Income Tax/PILs Workform for 2020 Filers

PILS Tax Provision - Bridge Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	3.5%	\$ 267	3.5%	B
Federal (Max 15%)	15.0%	9.0%	\$ 686	9.0%	C
Combined effective tax rate (Max 26.5%)					

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Bridge Year

Wires Only

Reference

B1 \$ 7,618 **A**

12.50% **D = B + C**

\$ 952 **E = A * D**

F

G
H = F + G

\$ 952 **I = E - H**

Note:

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

	T251 line #	Working Paper Reference	Total for Regulated Utility
Income before P/L & Taxes	(A + 101 + 102)		21,029
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		43,210
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(8)(vii)	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations and gifts from Schedule 2	112		
Taxable capital gains	113		
Political contributions	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	0
Reserves from financial statements- balance at end of year	126	B13	0
Soft costs on construction and renovation of buildings	127		
Capital items expense	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write-down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expended on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(ii))			
Lease Inducements Received (ITA 12(1)(ii))			
Deferred Revenue (ITA 12(1)(i))			
Prior Year Investment Tax Credits received			
Total Additions			43,210
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	56,821
Terminal loss from Schedule 8	404	B8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	0
Reserves from financial statements - balance at beginning of year	414	B13	0
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions			
Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		
Non-taxable-imputed interest income on deferred and variance accounts	395		
	395		
ARO Payments - Deductible for Tax when Paid (ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leasehold			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax (ITA 20(1)(e) and (e.1))			
Total Deductions		calculated	56,821
Net Income for Tax Purposes		calculated	7,618
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Net capital losses of previous tax years from Schedule 4	331	B4	0
Net capital losses of previous tax years from Schedule 4	332	B4	0
Limited partnership losses of previous tax years from Schedule 4	335		
TAXABLE INCOME		calculated	7,618



Income Tax/PILs Workform for 2020 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

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

[T4](#)

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

[T4](#)

Income Tax/PILs Workform for 2020 Filers

Schedule 8 CCA - Bridge Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	(3) Cost of acquisitions during the year (see property must be available for use, except CRRP)	(4) Cost of dispositions from column 3 that are accounted separately (see property (PAP))	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negative)	(6) Amount from column 3 that is accounted separately (see property (PAP))	(7) Amount from column 3 that is accounted separately (see property (PAP))	(8) Proceeds of dispositions	(9) UCC (column 2 plus column 3 plus column 4 minus column 5 minus column 6 plus column 7 minus column 8 if negative, enter "0")	(10) Proceeds of dispositions available to reduce the UCC of PAP (column 4 plus column 5 minus column 6 plus column 7 minus column 8 if negative, enter "0")	(11) Net capital cost additions of PAP (column 4 plus column 5 minus column 6 plus column 7 minus column 8 if negative, enter "0")	Relevant factor	(12) UCC adjustment for PAP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-PAP acquired during the year (2.5 multiplied by the result of column 11 minus column 4 minus column 5 plus column 6 minus column 7 if negative, enter "0")	(14) CCA Rate %	(15) Receipts of CCA	(16) Terminal Loss	(17) CCA (for the declining balance method, the result of column 13 plus column 12 minus column 14, multiplied by column 16)	(18) UCC at the end of the bridge year (column 9 minus column 17)	Working Paper Reference		
1	Buildings, Distribution System (acc'd post 1987)	149	\$	126,542					\$	126,542	\$	-	0.50	\$	-	6%			\$	5,082	\$	121,480	24
1a	Non-Residential Buildings (Reg. 1100(1)(a)(i) election)	149	\$						\$		\$	-	0.50	\$	-	6%			\$		\$		24
2	Distribution System (acc'd pre 1988)	149	\$	127,377					\$	127,377	\$	-	-	-	-	6%			\$	6,443	\$	100,934	25
3	Buildings (acc'd pre 1988)	149	\$	-					\$	-	\$	-	-	-	-	6%			\$	-	\$	-	25
6	Certain Buildings: Fences	149	\$	-					\$	-	\$	-	0.50	\$	-	100%			\$	-	\$	-	25
8	General Office Equipment, Furniture, Pictures	149	\$	3,937	\$	600	\$	600	\$	4,037	\$	-	0.50	\$	400	20%			\$	1,058	\$	3,775	26
19	Motor Vehicles: Fleet	149	\$	-					\$	-	\$	-	0.50	\$	-	25%			\$	-	\$	-	26
19.1	Certain Automobiles	149	\$	-					\$	-	\$	-	0.50	\$	-	100%			\$	-	\$	-	26
12	Computer Application Software (Non-Systems)	149	\$	-					\$	-	\$	-	0.50	\$	-	100%			\$	-	\$	-	26
13	Lease #1	149	\$	-					\$	-	\$	-	0.50	\$	-	NA			\$	100	\$	100	26
13.1	Lease #2	149	\$	-					\$	-	\$	-	0.50	\$	-	NA			\$	-	\$	-	26
13.2	Lease #3	149	\$	-					\$	-	\$	-	0.50	\$	-	NA			\$	-	\$	-	26
13.3	Lease #4	149	\$	-					\$	-	\$	-	0.50	\$	-	NA			\$	-	\$	-	26
14	Limited Period Patents, Franchises, Concessions or Licences	149	\$	-					\$	-	\$	-	0.50	\$	-	NA			\$	-	\$	-	26
14.1	Eligible Capital Property (acc'd pre Jan 1, 2017)	149	\$	100					\$	100	\$	-	0.50	\$	-	7%			\$	11	\$	140	26
14.1.1	Eligible Capital Property (acc'd post Jan 1, 2017)	149	\$	-					\$	-	\$	-	0.50	\$	-	2%			\$	-	\$	-	26
17	Elec. Generation Equip. (Non-Bldg, acc'd post Feb 27/88): Roads, Leds, Storage	149	\$	-					\$	-	\$	-	0.50	\$	-	6%			\$	-	\$	-	26
46.1	Fibre Optic Cables	149	\$	-					\$	-	\$	-	0.50	\$	-	10%			\$	-	\$	-	26
46.2	Certain Clean Energy/Energy-Efficient Generation Equipment	149	\$	-					\$	-	\$	-	0.50	\$	-	10%			\$	-	\$	-	26
46.3	Certain Clean Energy/Energy-Efficient Generation Equipment	149	\$	-					\$	-	\$	-	0.50	\$	-	10%			\$	-	\$	-	26
46.4	Communication & System Software (acc'd post Mar 22/94 and pre Mar 19/97)	149	\$	-					\$	-	\$	-	1.00	\$	-	80%			\$	-	\$	-	26
46.5	Communication & System Software (acc'd post Mar 22/94 and pre Mar 19/97)	149	\$	-					\$	-	\$	-	1.00	\$	-	80%			\$	-	\$	-	26
46.6	Data Network Infrastructure Equipment (acc'd post Mar 22/94)	149	\$	-					\$	-	\$	-	0.50	\$	-	80%			\$	-	\$	-	26
47	Distribution System (acc'd post Feb 22/94)	149	\$	163,712	\$	120,654	\$	120,654	\$	454,368	\$	-	0.50	\$	90,327	6%			\$	43,575	\$	440,793	26
89	General Purpose Computer Hardware & Software (acc'd post Mar 19/97)	149	\$	881					\$	881	\$	-	0.50	\$	-	80%			\$	375	\$	306	26
99	CEMP	149	\$	-					\$	-	\$	-	0.50	\$	-	6%			\$	-	\$	-	26
149		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
149.1		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
149.2		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
149.3		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
149.4		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
149.5		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
149.6		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
149.7		149	\$	-					\$	-	\$	-	0.50	\$	-	-			\$	-	\$	-	26
TOTALS			\$	602,289	\$	121,654	\$	121,654	\$	-	\$	-	0.50	\$	-	6%			\$	88,621	\$	447,303	26

Income Tax/PILs Workform for 2020 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

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



Ontario Energy Board

Income Tax/PILs Workform for 2020 Filers

PILs Tax Provision - Test Year

Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	3.5%	-\$ 689	3.5%	B
Federal (Max 15%)	15.0%	9.0%	-\$ 1,772	9.0%	C

Combined effective tax rate (Max 26.5%)

Total Income Taxes

Investment Tax Credits
Miscellaneous Tax Credits

Total Tax Credits

Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up ¹

Income Tax (grossed-up)

Note:

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

Wires Only

[T1](#) **A**

D = B + C

E = A * D

F

G

H = F + G

I = E - H

[S_Su](#)

K = I/J-I

L = K + I

[S_Su](#)

REGULATORY TAXABLE INCOME - Test Year		Working Paper Reference	Test Year Taxable Income
Net income Before Taxes		A.	35,002
		T2 S1 line #	
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		49,647
2-4 ADJUSTED ACCOUNTING DATA P&B			
Amortization of intangible assets	106		
2-4 ADJUSTED ACCOUNTING DATA P&B			
Recapture of capital cost allowance from Schedule B	107	T8	0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	0
Reserves from financial statements- balance at end of year	126	T13	0
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in book	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraph 12 (1)-1 and 12(1)(2.2)	237		
Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
	295		
ARO Accrual expense			
Capital Contributions Received (ITA 121(1)(k))			
Lease Inducement Received (ITA 121(1)(m))			
Deferred Revenue (ITA 121(1)(n))			
Prior Year Investment Tax Credits received			
</			

Income Tax/PILs Workform for 2020 Filers

Schedule 4 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Non-Capital Loss Carry Forward Deduction				
Actual/Estimated Bridge Year Carried Forward	<u>B4</u>	0		0
Amount to be used in Test Year and Price Cap Years	<u>T1</u>	0		0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	calculated	0		0
Loss Carry Forward Generated in Test Year (if any)	<u>T1</u>	19,691		19,691
Other Adjustments				0
Balance available for use in Future Years	calculated	19,691		19,691

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)	(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	(130)	(131)	(132)	(133)	(134)	(135)	(136)	(137)	(138)	(139)	(140)	(141)	(142)	(143)	(144)	(145)	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)	(155)	(156)	(157)	(158)	(159)	(160)	(161)	(162)	(163)	(164)	(165)	(166)	(167)	(168)	(169)	(170)	(171)	(172)	(173)	(174)	(175)	(176)	(177)	(178)	(179)	(180)	(181)	(182)	(183)	(184)	(185)	(186)	(187)	(188)	(189)	(190)	(191)	(192)	(193)	(194)	(195)	(196)	(197)	(198)	(199)	(200)	(201)	(202)	(203)	(204)	(205)	(206)	(207)	(208)	(209)	(210)	(211)	(212)	(213)	(214)	(215)	(216)	(217)	(218)	(219)	(220)	(221)	(222)	(223)	(224)	(225)	(226)	(227)	(228)	(229)	(230)	(231)	(232)	(233)	(234)	(235)	(236)	(237)	(238)	(239)	(240)	(241)	(242)	(243)	(244)	(245)	(246)	(247)	(248)	(249)	(250)	(251)	(252)	(253)	(254)	(255)	(256)	(257)	(258)	(259)	(260)	(261)	(262)	(263)	(264)	(265)	(266)	(267)	(268)	(269)	(270)	(271)	(272)	(273)	(274)	(275)	(276)	(277)	(278)	(279)	(280)	(281)	(282)	(283)	(284)	(285)	(286)	(287)	(288)	(289)	(290)	(291)	(292)	(293)	(294)	(295)	(296)	(297)	(298)	(299)	(300)	(301)	(302)	(303)	(304)	(305)	(306)	(307)	(308)	(309)	(310)	(311)	(312)	(313)	(314)	(315)	(316)	(317)	(318)	(319)	(320)	(321)	(322)	(323)	(324)	(325)	(326)	(327)	(328)	(329)	(330)	(331)	(332)	(333)	(334)	(335)	(336)	(337)	(338)	(339)	(340)	(341)	(342)	(343)	(344)	(345)	(346)	(347)	(348)	(349)	(350)	(351)	(352)	(353)	(354)	(355)	(356)	(357)	(358)	(359)	(360)	(361)	(362)	(363)	(364)	(365)	(366)	(367)	(368)	(369)	(370)	(371)	(372)	(373)	(374)	(375)	(376)	(377)	(378)	(379)	(380)	(381)	(382)	(383)	(384)	(385)	(386)	(387)	(388)	(389)	(390)	(391)	(392)	(393)	(394)	(395)	(396)	(397)	(398)	(399)	(400)	(401)	(402)	(403)	(404)	(405)	(406)	(407)	(408)	(409)	(410)	(411)	(412)	(413)	(414)	(415)	(416)	(417)	(418)	(419)	(420)	(421)	(422)	(423)	(424)	(425)	(426)	(427)	(428)	(429)	(430)	(431)	(432)	(433)	(434)	(435)	(436)	(437)	(438)	(439)	(440)	(441)	(442)	(443)	(444)	(445)	(446)	(447)	(448)	(449)	(450)	(451)	(452)	(453)	(454)	(455)	(456)	(457)	(458)	(459)	(460)	(461)	(462)	(463)	(464)	(465)	(466)	(467)	(468)	(469)	(470)	(471)	(472)	(473)	(474)	(475)	(476)	(477)	(478)	(479)	(480)	(481)	(482)	(483)	(484)	(485)	(486)	(487)	(488)	(489)	(490)	(491)	(492)	(493)	(494)	(495)	(496)	(497)	(498)	(499)	(500)	(501)	(502)	(503)	(504)	(505)	(506)	(507)	(508)	(509)	(510)	(511)	(512)	(513)	(514)	(515)	(516)	(517)	(518)	(519)	(520)	(521)	(522)	(523)	(524)	(525)	(526)	(527)	(528)	(529)	(530)	(531)	(532)	(533)	(534)	(535)	(536)	(537)	(538)	(539)	(540)	(541)	(542)	(543)	(544)	(545)	(546)	(547)	(548)	(549)	(550)	(551)	(552)	(553)	(554)	(555)	(556)	(557)	(558)	(559)	(560)	(561)	(562)	(563)	(564)	(565)	(566)	(567)	(568)	(569)	(570)	(571)	(572)	(573)	(574)	(575)	(576)	(577)	(578)	(579)	(580)	(581)	(582)	(583)	(584)	(585)	(586)	(587)	(588)	(589)	(590)	(591)	(592)	(593)	(594)	(595)	(596)	(597)	(598)	(599)	(600)	(601)	(602)	(603)	(604)	(605)	(606)	(607)	(608)	(609)	(610)	(611)	(612)	(613)	(614)	(615)	(616)	(617)	(618)	(619)	(620)	(621)	(622)	(623)	(624)	(625)	(626)	(627)	(628)	(629)	(630)	(631)	(632)	(633)	(634)	(635)	(636)	(637)	(638)	(639)	(640)	(641)	(642)	(643)	(644)	(645)	(646)	(647)	(648)	(649)	(650)	(651)	(652)	(653)	(654)	(655)	(656)	(657)	(658)	(659)	(660)	(661)	(662)	(663)	(664)	(665)	(666)	(667)	(668)	(669)	(670)	(671)	(672)	(673)	(674)	(675)	(676)	(677)	(678)	(679)	(680)	(681)	(682)	(683)	(684)	(685)	(686)	(687)	(688)	(689)	(690)	(691)	(692)	(693)	(694)	(695)	(696)	(697)	(698)	(699)	(700)	(701)	(702)	(703)	(704)	(705)	(706)	(707)	(708)	(709)	(710)	(711)	(712)	(713)	(714)	(715)	(716)	(717)	(718)	(719)	(720)	(721)	(722)	(723)	(724)	(725)	(726)	(727)	(728)	(729)	(730)	(731)	(732)	(733)	(734)	(735)	(736)	(737)	(738)	(739)	(740)	(741)	(742)	(743)	(744)	(745)	(746)	(747)	(748)	(749)	(750)	(751)	(752)	(753)	(754)	(755)	(756)	(757)	(758)	(759)	(760)	(761)	(762)	(763)	(764)	(765)	(766)	(767)	(768)	(769)	(770)	(771)	(772)	(773)	(774)	(775)	(776)	(777)	(778)	(779)	(780)	(781)	(782)	(783)	(784)	(785)	(786)	(787)	(788)	(789)	(790)	(791)	(792)	(793)	(794)	(795)	(796)	(797)	(798)	(799)	(800)	(801)	(802)	(803)	(804)	(805)	(806)	(807)	(808)	(809)	(810)	(811)	(812)	(813)	(814)	(815)	(816)	(817)	(818)	(819)	(820)	(821)	(822)	(823)	(824)	(825)	(826)	(827)	(828)	(829)	(830)	(831)	(832)	(833)	(834)	(835)	(836)	(837)	(838)	(839)	(840)	(841)	(842)	(843)	(844)	(845)	(846)	(847)	(848)	(849)	(850)	(851)	(852)	(853)	(854)	(855)	(856)	(857)	(858)	(859)	(860)	(861)	(862)	(863)	(864)	(865)	(866)	(867)	(868)	(869)	(870)	(871)	(872)	(873)	(874)	(875)	(876)	(877)	(878)	(879)	(880)	(881)	(882)	(883)	(884)	(885)	(886)	(887)	(888)	(889)	(890)	(891)	(892)	(893)	(894)	(895)	(896)	(897)	(898)	(899)	(900)	(901)	(902)	(903)	(904)	(905)	(906)	(907)	(908)	(909)	(910)	(911)	(912)	(913)	(914)	(915)	(916)	(917)	(918)	(919)	(920)	(921)	(922)	(923)	(924)	(925)	(926)	(927)	(928)	(929)	(930)	(931)	(932)	(933)	(934)	(935)	(936)	(937)	(938)	(939)	(940)	(941)	(942)	(943)	(944)	(945)	(946)	(947)	(948)	(949)	(950)	(951)	(952)	(953)	(954)	(955)	(956)	(957)	(958)	(959)	(960)	(961)	(962)	(963)	(964)	(965)	(966)	(967)	(968)	(969)	(970)	(971)	(972)	(973)	(974)	(975)	(976)	(977)	(978)	(979)	(980)	(981)	(982)	(983)	(984)	(985)	(986)	(987)	(988)	(989)	(990)	(991)	(992)	(993)	(994)	(995)	(996)	(997)	(998)	(999)	(1000)
Class	Class Description	Mapping Page Reference	Unaudited balance at beginning of fiscal year	Fiscal balance during the year	Fiscal balance at end of year	Adjusted balance at end of year	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess of adjusted balance	Amount in excess 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Income Tax/PILs Workform for 2020 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0		0
Tax Reserves Not Deducted for accounting purposes									
Reserve for doubtful accounts ss. 20(1)(i)	B13	0		0			0		0
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0			0		0
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0		0
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0		0
Other tax reserves	B13	0		0			0		0
		0		0			0		0
Total		0	0	0	T1	0	0	T1	0
Financial Statement Reserves (not deductible for Tax Purposes)									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0		0
General reserve for bad debts	B13	0		0			0		0
Accrued Employee Future Benefits:	B13	0		0			0		0
- Medical and Life Insurance	B13	0		0			0		0
- Short & Long-term Disability	B13	0		0			0		0
- Accumulated Sick Leave	B13	0		0			0		0
- Termination Cost	B13	0		0			0		0
- Other Post-Employment Benefits	B13	0		0			0		0
Provision for Environmental Costs	B13	0		0			0		0
Restructuring Costs	B13	0		0			0		0
Accrued Contingent Litigation Costs	B13	0		0			0		0
Accrued Self-Insurance Costs	B13	0		0			0		0
Other Contingent Liabilities	B13	0		0			0		0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0		0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0		0
Other	B13	0		0			0		0
		0		0			0		0
Total		0	0	0	T1	0	0	T1	0