EXHIBIT 4 – OPERATING EXPENSES

2021 Cost of Service

Halton Hills Hydro Inc.
EB-2020-0026

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4.1 OVERVIEW

4.1.1 BACKGROUND[1]

In this Exhibit, the operating costs ("OM&A") consist of the required expenditures necessary for HHHI to maintain and operate its distribution system assets, safely and reliably, while achieving its strategic imperatives:

1. Safety and Wellness – Always pursue excellence in safety and wellness;
2. Customers – Anticipate and exceed customer expectations regarding efficiency and reliable delivery of electricity;
3. People – Develop and support HHHI's dedicated, talented team who embrace best practices, innovative solutions, and new technologies to deliver present and future energy needs to our communities while operating within the current COVID-19 "new normal";
4. Environmental Stewardship – Respect the environment in everything HHHI does including adapting business to address climate change, reduce the impact of operations on the environment and support the Town of Halton Hills initiatives in relation to the Town's declaration of a climate change emergency;
5. Community – Demonstrate HHHI's dedication to the well-being of the communities; and
6. Value – Invest in quality energy infrastructure while delivering optimal financial returns to HHHI's shareholders.

HHHI's strategic imperatives align to the achievement of the Ontario Energy Board's ("OEB" or the "Board") performance outcomes: (i) Customer Focus; (ii) Operational Effectiveness; (iii) Public Policy Responsiveness; and (iv) Financial Performance; all as outlined in the "Report of the Board, Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach" ("RRFE"), dated October 18, 2012.

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

Operating costs include the operations and maintenance of the distribution assets, the costs associated with metering, billing, collecting from customers, costs associated with ensuring all stakeholders' safety (public, employees, etc.) and costs to maintain the distribution business service quality and reliability standards in compliance with the OEB Distribution System Code and other regulatory bodies (Independent Electricity System Operator ("IESO"), Ministry of Energy, Northern Development and Mines, the Electrical Safety Authority ("ESA"), etc.).

This Application was prepared using financial actuals for 2016, 2017, 2018 and 2019 as well as forecasted budgets for 2020 Bridge Year and 2021 Test Year. HHHI is reporting under Modified International Financial Reporting Standards ("MIFRS") for all years in this Application.

HHHI's Capitalization Policy, Overhead Policy and Componentization of PP&E have not changed from those approved in HHHI's 2016 Cost of Service Rate Application EB-2015-0074. There are no adjustments for capitalization policy required for this application.[2]

For the purposes of this Application, annual budgets were prepared by HHHI's Leadership Team for the 2020 Bridge Year and the 2021 Test Year. Budgets are based on HHHI's strategic plan and annual business plans in addition to current inflation trends as per the consumer price index – Ontario. Assumptions with respect to labour rates are provided in Section 4.4 Compensation. After the Executive Management Team's rigorous review and updated for any necessary changes, draft budgets were presented to HHHI's Board of Directors for final approval.

The 2020 Bridge Year budget was approved by HHHI's Board of Directors on November 28, 2019. The 2021 Test Year OM&A budget of $8.1 million was approved by HHHI's Board of Directors on February 7, 2020.

HHHI's proposed 2021 Test Year Total Operating, Maintenance and Administration ("OM&A") costs, excluding property taxes and Low Energy Assistance Program ("LEAP"), are $7,561,372, with comparison to 2016 Board Approved as summarized in Table 1 - Summary of 2021 Test Year

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

Operations, Maintenance and Administrative Expenditures with comparison to 2016 Board Approved below.

Table 1 - Summary of 2021 Test Year Operations, Maintenance and Administrative Expenditures with comparison to 2016 Board Approved

Description	2016 Board Approved	2021 Test Year	Variance	%
	MIFRS	MIFRS		
Distribution Expenses - Operation	$1,355,647	$1,440,804	$85,157	6.3%
Distribution Expenses - Maintenance	$374,125	$458,000	$83,875	22.4%
Billing and Collecting	$1,559,240	$1,177,856	-$381,384	(24.5%)
Administrative and General Expenses	$2,706,553	$4,484,712	$1,778,159	65.7%
Sub-total OM&A	**$5,995,565**	**$7,561,372**	**$1,565,807**	**26.1%**
LEAP	$12,027	$18,890	$6,863	57.1%
Property Tax	$104,440	$157,546	$53,106	50.8%
Total Recoverable OM&A Expenses	**$6,112,032**	**$7,737,808**	**$1,625,776**	**26.6%**
PILs	$0	$0	$0	0.0%
Depreciation	$1,508,054	$3,611,342	$2,103,288	139.5%
Total	**$7,620,086**	**$11,349,150**	**$3,729,064**	**48.9%**

HHHI continues to prudently manage OM&A costs. HHHI is forecast to remain in Group 1 with 2021 Test Year OM&A Expenditures of $7,561,372 (Table 7 - Summary of Forecasted Cost Benchmarking Results). It is important to note HHHI's actual costs for seven (7) consecutive years are lower than the predicted PEG Model Costs. HHHI continues to remain in Group 1 of the PEG report; OEB's Benchmark model report from August 2019.

4.1.2 2016 BOARD APPROVED OM&A

The last Board Approved Operations, Maintenance and Administration amounts were established in 2016 Cost of Service application, EB-2015-0074. Table 2 - Computation of 2016 Board Approved with comparison to 2016 Actual below shows the calculation of the 2016 Board Approved OM&A with comparison to 2016 Actual.

Table 2 - Computation of 2016 Board Approved with comparison to 2016 Actual

Description	2016 Board Approved	2016 Actual	Variance	%
	MIFRS	MIFRS		
Distribution Expenses - Operation	$1,355,647	$1,412,667	$57,020	4.2%
Distribution Expenses - Maintenance	$374,125	$444,659	$70,534	18.9%
Billing and Collecting	$1,559,240	$1,097,634	-$461,606	(29.6%)
Administrative and General Expenses	$2,706,553	$3,057,180	$350,627	13.0%
Total	**$5,995,565**	**$6,012,140**	**$16,574**	**0.3%**
LEAP	$12,027	$13,906	$1,879	15.6%
Property Tax	$104,440	$102,949	-$1,491	(1.4%)
Total Recoverable OM&A Expenses	**$6,112,032**	**$6,128,995**	**$16,962**	**0.3%**
PILs	$0	$0	$0	0.0%
Depreciation	$1,508,054	$2,045,279	$537,225	35.6%
Total	**$7,620,086**	**$8,174,274**	**$554,187**	**7.3%**

4.1.3 ACCOUNTING POLICY CHANGES

4.1.4.1 CHANGES IN CAPITALIZATION POLICIES AND DEPRECIATION

HHHI's current depreciation/amortization policy is based on Modified International Financial Reporting Standards ("MIFRS"), HHHI's specific Kinectric's Report K-418022-RA-0001-R002 (dated November 23, 2009 – as shown in Appendix 4-1) and guidelines set out by the OEB, where applicable.

In its 2012 Cost of Service Rate Application (EB-2011-0271), HHHI adopted the Revised CGAAP basis of reporting beginning January 1, 2012. As part of the transition to Revised CGAAP in 2012, HHHI implemented changes to its depreciation rates and capitalization policy. HHHI also adjusted the CGAAP book value of its assets based on new useful lives provided in the HHHI specific Kinectrics report. The book value variance of assets between original CGAAP and Revised CGAAP was recorded in Deferral and Variance Account 1575 and amortized from 2012 to 2016. The implementation of Revised CGAAP, the new useful lives of assets and capitalization policy were approved by the OEB in HHHI's 2012 Cost of Service Rate Application EB-2011-0271.

In 2012, HHHI implemented changes to depreciation rates and the componentization of Property, Plant and Equipment ("PP&E"). Useful lives were aligned with the HHHI Specific Kinectrics report and an assessment was made of remaining useful lives for the purposes of determining the computation of depreciation expense on a go-forward basis. HHHI confirms that significant parts or components of each item of PP&E are being depreciated separately and is discussed in more detail below.

HHHI's capital assets related to the distribution system and capital contributions are amortized on a straight-line basis, applying the "half-year" rule in the year of addition, over the useful life of the assets. Since 2012, HHHI has not make any changes to it depreciation and capitalization policies.

4.1.4.2 TRANSITION TO MODIFIED INTERNATIONAL FINANCING REPORTING STANDARDS (‘MIFRS”)

HHHI adopted International Financial Reporting Standards (“IFRS”) effective January 1, 2015 with restatement of January 1, 2014 balances (“transition date“). HHHI adopted Modified International Financial Reporting Standards (“MIFRS”) for rate making purposes effective January 1, 2015 and follows the OEB’s Accounting Procedures Handbook (“APH”).

In this Application, HHHI is reporting under Modified International Financial Reporting Standards (MIFRS) for all years.

4.1.4 HHHI TEST YEAR OM&A EXPENSE SUMMARY AND COST TRENDS

HHHI’s 2021 Test Year OM&A expenses are $7,561,372 excluding expenditures relating to LEAP and property taxes. A summary of OM&A expenses from 2016 Board Approved to the 2021 Test Year is found in Table 3 - HHHI Test Year OM&A Summary below.

Table 3 - HHHI Test Year OM&A Summary

Distribution Expenses	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
Distribution Expenses - Operation	$1,355,647	$1,412,667	$1,374,606	$1,283,640	$1,264,254	$1,211,047	$1,440,803
Distribution Expenses - Maintenance	$374,125	$444,659	$283,003	$317,433	$305,637	$415,550	$458,000
Billing and Collecting	$1,559,240	$1,097,634	$1,130,882	$1,148,642	$1,125,654	$1,171,162	$1,177,856
Administrative and General Expenses	$2,706,553	$3,057,180	$3,187,856	$3,302,510	$3,592,639	$3,608,611	$4,484,712
Total	**$5,995,565**	**$6,012,140**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$7,561,372**
2021 Test Year vs. 2016 Board Approved							**$1,565,807**
% Increase 2021 Test Year vs. 2016 Board Approved							**26.1%**

HHHI proposed OM&A level of $7,561,372 for the 2021 Test Year is $1,565,807 or 26.1% higher than the 2016 Board Approved of $5,995,565 and $1,549,232 higher or 25.8% higher than the

2016 Actuals.

Table 4 - Year over Year Change in OM&A (with inflation increase) and Table 5 - Year over Year Change in OM&A illustrate the level of OM&A expenditures for the 2016 Board Approved, 2016 Actuals, 2017 Actuals, 2018 Actuals, 2019 Actuals, 2020 Bridge Year and 2021 Test Year, including the increase for inflation. The 2021 Test Year OM&A increases are detailed in Table 8 - Overall OM&A Cost Trends and Table 9 - Summary of Recoverable OM&A Expenses below.

Table 4 - Year over Year Change in OM&A (with inflation increase)

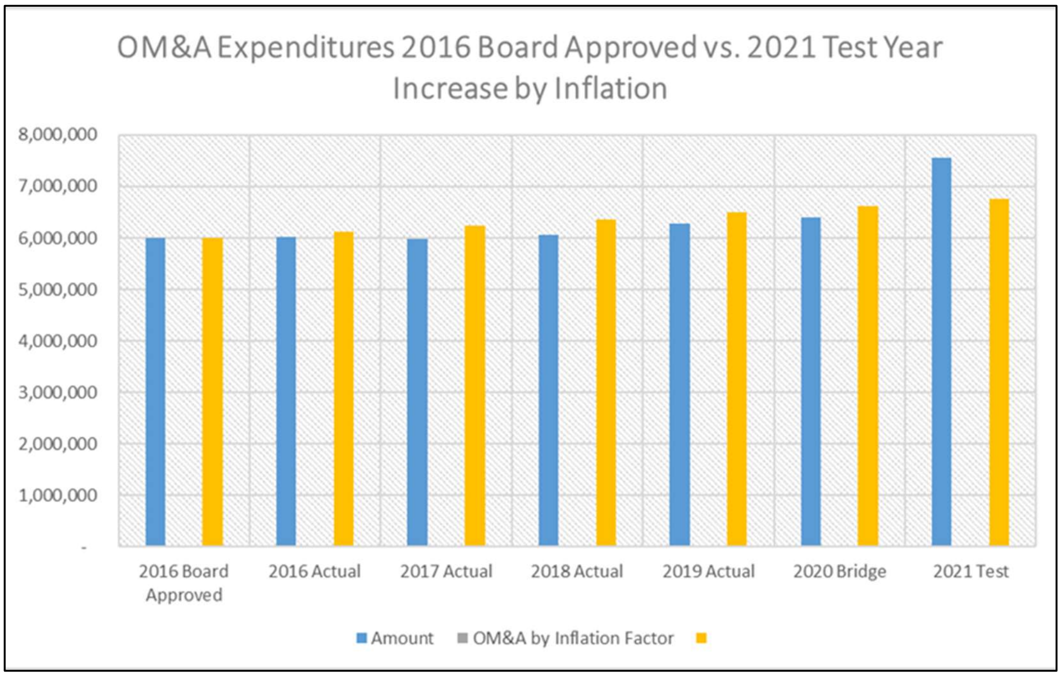
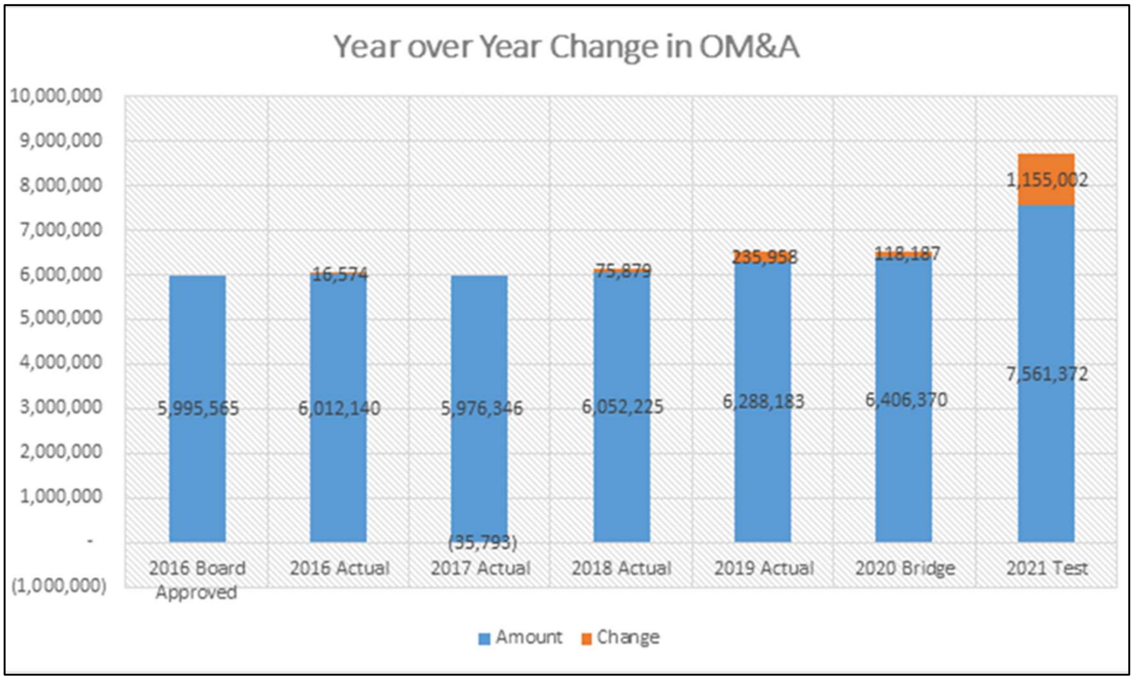


Table 5 - Year over Year Change in OM&A



HHHI continues to prudently manage OM&A costs and for seven (7) consecutive years, HHHI has remained in Group 1 of the PEG report; OEB's Benchmark model most recent report dated August 2019. As evidenced in the excerpt from Table 6 - Excerpt of Table 3(A) – Summary of Cost Performance Results shown in the PEG report (dated August 2019), HHHI continually performs under predicted costs. As shown below in Table 7 - Summary of Forecasted Cost Benchmarking Results, on values related to 2016 to 2018, HHHI is currently operating at 28.4% below predicted costs. Additionally, HHHI has forecasted 2019, 2020 Bridge Year and 2021 Test Year Cost Benchmarking as shown in Table 7 - Summary of Forecasted Cost Benchmarking Results. It is important to note that even with the 2021 Test Year increases, HHHI is forecasting to remain in Group 1 of the PEG report. The forecasted PEG Benchmarking model is shown in Appendix 4-2 and the live Excel model has been filed with this application.

Table 6 - Excerpt of Table 3(A) – Summary of Cost Performance Results shown in the PEG report (dated August 2019)

Table 3 (A)

Summary of Cost Performance Results

	Cost Efficiency Assessment						
	2015	2016	2017	2018	2015-2017	2016-2018	Difference from 2015-2017
Alectra Utilities Corporation	0.2%	0.2%	4.5%	-0.7%	1.6%	1.3%	-0.3%
Algoma Power Inc.	70.6%	69.8%	68.9%	66.1%	69.8%	68.2%	-1.5%
Atikokan Hydro Inc.	9.7%	11.9%	12.6%	9.6%	11.4%	11.3%	-0.1%
Bluewater Power Distribution Corporation	0.8%	2.1%	4.0%	3.7%	2.3%	3.2%	1.0%
Brantford Power Inc.	-6.1%	-4.4%	-8.2%	-9.4%	-6.2%	-7.3%	-1.1%
Burlington Hydro Inc.	-10.3%	-11.1%	-11.9%	-13.9%	-11.1%	-12.3%	-1.2%
Canadian Niagara Power Inc.	13.0%	13.5%	11.2%	17.1%	12.6%	13.9%	1.4%
Centre Wellington Hydro Ltd.	-1.2%	0.4%	1.0%	-0.3%	0.1%	0.4%	0.3%
Chapleau Public Utilities Corporation	23.9%	21.0%	17.0%	24.2%	20.6%	20.7%	0.1%
EPCOR Electricity Distribution Ontario Inc.	-14.2%	-13.2%	-18.4%	-19.3%	-15.3%	-17.0%	-1.7%
Cooperative Hydro Embrun Inc.	-33.2%	-38.2%	-41.1%	-44.8%	-37.5%	-41.4%	-3.9%
E.L.K. Energy Inc.	-34.7%	-39.4%	-44.5%	-47.8%	-39.5%	-43.9%	-4.4%
Energy+ Inc.	-5.3%	-9.9%	-11.1%	-13.1%	-8.8%	-11.4%	-2.6%
Entegrus Powerlines Inc.	-15.4%	-13.5%	-16.8%	-16.0%	-15.2%	-15.4%	-0.2%
EnWin Utilities Ltd.	9.9%	9.6%	5.3%	-2.7%	8.3%	4.1%	-4.2%
ERTH Power Corporation	7.0%	6.8%	7.8%	2.3%	7.2%	5.6%	-1.6%
Espanola Regional Hydro Distribution Corporation	-20.4%	-20.9%	-23.1%	-24.8%	-21.4%	-22.9%	-1.5%
Essex Powerlines Corporation	-13.5%	-14.3%	-14.1%	-12.3%	-14.0%	-13.6%	0.4%
Festival Hydro Inc.	14.0%	13.4%	8.8%	10.8%	12.1%	11.0%	-1.0%
Fort Frances Power Corporation	5.1%	6.8%	2.4%	-0.8%	4.8%	2.8%	-2.0%
Greater Sudbury Hydro Inc.	8.0%	9.6%	7.1%	7.6%	8.2%	8.1%	-0.1%
Grimsby Power Incorporated	-17.0%	-13.0%	-24.9%	-27.6%	-18.3%	-21.8%	-3.6%
Guelph Hydro Electric Systems Inc.	-3.8%	-5.1%	-3.5%	-2.3%	-4.1%	-3.6%	0.5%
Halton Hills Hydro Inc.	-28.2%	-27.5%	-28.4%	-29.2%	-28.0%	-28.4%	-0.3%
Hearst Power Distribution Company Limited	-7.4%	-21.3%	-20.1%	-21.3%	-16.3%	-20.9%	-4.6%
Hydro 2000 Inc.	-6.2%	-19.6%	-23.0%	-15.4%	-16.3%	-19.4%	-3.1%
Hydro Hawkesbury Inc.	-68.1%	-66.4%	-56.3%	-57.7%	-63.6%	-60.1%	3.5%
Hydro One Networks Inc.	19.7%	15.6%	17.0%	16.0%	17.4%	16.2%	-1.2%

Table 7 - Summary of Forecasted Cost Benchmarking Results

Summary of Cost Benchmarking Results

Cost Benchmarking Summary		2016 Actual	2017 Actual	2018 Actual	2019 Forecast	2020 (Bridge)	2021 (Test Year)	2022 Forecast	2023 Forecast
Actual Total Cost		17,028,654	16,934,734	17,821,525	15,861,465	16,799,832	17,937,568	18,374,897	18,802,766
Predicted Total Cost		22,429,778	22,492,011	23,853,248	25,155,628	26,545,058	27,795,572	29,086,739	30,411,572
Difference		(5,401,124)	(5,557,277)	(6,031,723)	(9,294,163)	(9,745,226)	(9,858,004)	(10,711,842)	(11,608,807)
Percentage Difference (Cost Performance)		**(27.5%)**	**(28.4%)**	**(29.2%)**	**(46.1%)**	**(46.6%)**	**(42.7%)**	**(45.2%)**	**(47.3%)**
Three-Year Average Performance						(40.6%)	(45.1%)	(44.8%)	(45.1%)
Stretch Factor Cohort									
	Annual Result	1	1	1	1	1	1	1	1
	Three Year Average	1	1	1	1	1	1	1	1

Based on the Efficiency Assessment Benchmark (PEG Report, August 2019), HHHI ranked 6th out sixty-three (63) provincial LDCs. In the 2018 OEB Yearbook, HHHI's OM&A per customer unit cost of $274.40 ranked 24th in the province and is approximately 18% lower than the average OM&A per customer cost of $335.11. HHHI continues to prudently manage OM&A costs and HHHI has remained in Group 1 of the OEB's Benchmark model for seven (7) consecutive years.

Please refer to Table 9 - Summary of Recoverable OM&A Expenses for a summary of the changes to OM&A between HHHI's 2016 Board Approved and the 2021 Test Year.

Table 8 - Overall OM&A Cost Trends

Description	
Opening Balance (Excluding LEAP & Property Taxes)	**$5,995,565**
Salaries and benefits	
Pay Equity Adjustment	$181,775
Increase in FTE	$369,447
Increase in wages and staff progressions	$103,906
Increase in benefit costs	$82,967
Change in labour burden allocation	$120,698
Training and staff development	$52,987
Professional Service	($77,155)
Bad Debt expense	($20,041)
Climate Change (Admin)	$279,700
Cybersecurity and IT Training	$212,441
Transformer Station (Insurance, Control Room)	$190,352
Mtce Operations (Switch Mtce)	$23,535
Trucking costs	$82,447
Underground cable testing (ENG)	($14,940)
Metering (wireless communication costs)	$24,680
Regulatory	$16,000
Materials and other cost increases	$38,495
Vegetation Management	($27,348)
Other	($74,139)
Closing Balance (Excluding LEAP & Property Taxes)	**$7,561,372**

A more detailed analysis of these costs trends is provided in Section 4.2, as part of the analysis of Cost Drivers. As described above, HHHI continually performed under the PEG predicted costs from 2016 to 2018 and has forecasted the continuity of this efficiency into 2019, 2020 Bridge Year and 2021 Test Year.

HHHI believes that the level of planned operating, maintenance and administrative ("OM&A") expenditures are appropriate and rational after taking into consideration customer feedback and preferences, productivity, reliability, service quality, government mandated obligations, and the objectives of the Renewed Regulatory Framework for Electricity Distributors ("RRFE").

4.2 SUMMARY & COST DRIVER TABLES

4.2.1 OVERVIEW OF BUDGETING PROCESS

HHHI begins preparation of its annual budget in the third quarter (Q3) for the following year and receives final approval from its Board of Directors in November. Developing the budget is a key process as it identifies past successes as well as future initiatives and projections for capital and operating costs. Care is taken to ensure that the capital and operating budgets support HHHI's core business objectives as well as being prudent and financially sustainable.

HHHI engages in the following budgeting process:

1. The Leadership Team works collectively to review budgeting items including changes in revenue, HHHI's strategic plan, issues within the industry as a whole, cost pressure from specific areas or performance concerns (example: cybersecurity) that must be considered by each Department. This step sets the expectations for each department on cost control and efficiency improvement.
2. Each Department Manager then develops capital and operating plans with these issues and objectives in mind. The following directives are provided to each manager to assist them with preparation:
    a. External expenses for all department budgets are built using previous year actual, current year forecast and current year budget as the base. Each third party expense is reviewed to determine whether the service is required and whether there are opportunities for cost minimization and service level improvement;
    b. Each department works with Finance to prepare a labour budget using projected wage and benefit costs in compliance with the current collective agreement. Overtime is based on projected need and historical comparisons with an expectation that it is closely managed to reduce costs where possible. Salaries, overtime and payroll burden are distributed over accounts based on historical and forecasted allocations;

c. Vehicle costs (Fleet) are forecasted and an hourly rate is determined based on the estimated run time per truck, per working day, in the fiscal year. Costs are then distributed over operations and capital based on total labour hours budgeted.

d. Overhead rates are calculated for the Stores (excluding Fleet mentioned above), and payroll and applied to the applicable departments in both operating and capital. Overhead rates for Stores are based on payroll, items purchased and materials issued. Payroll overhead rates are based on total labour hours for the applicable function areas.

3. Once all budget costs are finalized, the Stores and payroll costs are reviewed and an overhead rate determined in order to ensure costs are properly allocated within OM&A, capital and other recoverable accounts. The Stores department costs, excluding Fleet, are allocated based on material issues, for the fiscal year for each respective department in OM&A and the capital program. Payroll overhead costs are allocated based on direct labour hours.

4. The Finance department completes an initial consolidation of all departments to develop an initial budget. Finance works with each department to identify variances and issues for consideration.

5. Executive Management reviews the initial budget and makes changes to balance cost control with achieving core objectives. The Executive Management team's focus is a top-down approach to the budget review. In an effort to contain costs and explore efficiencies while providing an acceptable level of reliability and customer service, the team looks, in detail, for discretionary costs and identifies cost areas that can be delayed or alternative approaches. This process results in OM&A costs with an adequate degree of assurance that HHHI will be able to continue to serve its customers in a safe and reliable manner.

6. The President & CEO and the CFO conduct a thorough review with each Department Manager, supported by Finance, to ensure the proposed budget complies with the strategic plan, distribution system plan, asset management plan

and align with the budget assumptions that were established at the beginning of the budget process.

7. Executive Management meets with HHHI's Board of Directors for a formal presentation and receipt of approval, subject to any required changes recommended by the Board of Directors.

With respect to inflation rate assumptions, HHHI's 2021 Test Year expenditures were budgeted based on the actual expected costs, taking into consideration the current inflation trends as per the consumer price index – Ontario. Assumptions with respect to labour rates are provided in Section 4.4 Compensation.

4.2.2 SUMMARY OF RECOVERABLE OM&A EXPENSES

HHHI follows the OEB's Accounting Procedures Handbook ("APH") in distinguishing work performed between operations and maintenance. A summary of HHHI's OM&A Expenses, excluding LEAP, for the 2016 Board Approved, 2016 Actual, 2017Actual, 2018 Actual, 2019 Actual, 2020 Bridge Year, and 2021 Test Year is provided in Table 9 - Summary of Recoverable OM&A Expenses, which is a replication of Board Appendix 2-JA.

Table 9 - Summary of Recoverable OM&A Expenses[3]

	2016 Last Rebasing Year OEB Approved	2016 Last Rebasing Year Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Reporting Basis	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*	*MIFRS*
Operations	$1,355,647	$1,412,667	$1,374,606	$1,283,640	$1,264,254	$1,211,047	$1,440,803
Maintenance	$374,125	$444,659	$283,003	$317,433	$305,637	$415,550	$458,000
Subtotal	**$1,729,772**	**$1,857,325**	**$1,657,609**	**$1,601,073**	**$1,569,890**	**$1,626,597**	**$1,898,803**
%Change (year over year)		7.37%	(10.75.%)	(3.41.%)	(1.95.%)	3.6%	16.7%
%Change (Test Year vs Last Rebasing Year - Actual)							2.23%
Billing and Collecting	$1,559,240	$1,097,634	$1,130,882	$1,148,642	$1,125,654	$1,171,162	$1,177,856
Community Relations							
Administrative and General	$2,706,553	$3,057,180	$3,187,856	$3,302,510	$3,592,639	$3,608,611	$4,484,712
Subtotal	**$4,265,793**	**$4,154,814**	**$4,318,737**	**$4,451,152**	**$4,718,293**	**$4,779,773**	**$5,662,569**
%Change (year over year)		(2.60%)	3.95%	3.07%	6.00%	1.30%	18.47%
%Change (Test Year vs Last Rebasing Year - Actual)							36.29%
Total	**$5,995,565**	**$6,012,140**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$7,561,372**
%Change (year over year)		0.28%	(0.60%)	1.27%	3.90%	1.88%	18.03%

[3] Summary of recoverable OM&A expenses; Appendix 2-JA

Table 10 - Summary of Recoverable OM&A Expenses (cont'd)

	2016 Last Rebasing Year OEB Approved	2016 Last Rebasing Year Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Operations	$1,355,647	$1,412,667	$1,374,606	$1,283,640	$1,264,254	$1,211,047	$1,440,803
Maintenance	$374,125	$444,659	$283,003	$317,433	$305,637	$415,550	$458,000
Billing and Collecting	$1,559,240	$1,097,634	$1,130,882	$1,148,642	$1,125,654	$1,171,162	$1,177,856
Community Relations	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$2,706,553	$3,057,180	$3,187,856	$3,302,510	$3,592,639	$3,608,611	$4,484,712
Total	**$5,995,565**	**$6,012,140**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$7,561,372**
%Change (year over year)		0.3%	(0.6%)	1.3%	3.9%	1.9%	18.0%

	Last Rebasing Year 2016 OEB Approved	Last Rebasing Year 2016 Actuals	Variance 2016 OEB Approved - 2016 Actuals	Last Rebasing Year 2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	Variance 2020 Bridge vs. 2019 Actuals	2021 Test Year	Variance 2021 Test vs. 2020 Bridge
Operations	$1,355,647	$1,412,667	($57,020)	$1,211,047	$1,374,606	$1,283,640	$1,264,254	$1,211,047	-$53,207	$1,440,803	$229,756
Maintenance	$374,125	$444,659	($70,534)	$415,550	$283,003	$317,433	$305,637	$415,550	$109,913	$458,000	$42,450
Billing and Collecting	$1,559,240	$1,097,634	$461,606	$0	$1,130,882	$1,148,642	$1,125,654	$1,171,162	$45,508	$1,177,856	$6,694
Community Relations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$2,706,553	$3,057,180	($350,627)	$0	$3,187,856	$3,302,510	$3,592,639	$3,608,611	$15,972	$4,484,712	$876,101
Total OM&A Expenses	**$5,995,565**	**$6,012,140**	**($16,574)**	**$0**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$118,187**	**$7,561,372**	**$1,155,002**
Adjustments for Total non-recoverable items											
Total Recoverable OM&A Expenses	**$5,995,565**	**$6,012,140**	**($16,574)**	**$0**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$118,187**	**$7,561,372**	**$1,155,002**
Variance from previous year				$0	($35,793)	$75,879	$235,958	$118,187		$1,155,002	
Percent change (year over year)				0.00%	0.00%	1.27%	3.90%	1.88%		18.03%	
Percent Change: Test year vs. Most Current Actual										20.25%	
Simple average of % variance for all years										6.27%	
Compound Annual Growth Rate for all years											4.69%
Compound Growth Rate (2019 vs. 2016 Actuals)										1.51%	

It is important to note that HHHI's actual OM&A efficiency performance is consistently below PEG's predicted total cost.

4.2.3 OM&A COST PER CUSTOMER AND FULL-TIME EQUIVALENT

Table 11 - Recoverable OM&A per Customer and per FTE Equivalent– 2016 to 2021 (Chapter 2 Appendix 2-L)[4]

	Last Rebasing Year 2016 - OEB Approved	Last Rebasing Year 2016 - Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
	OM&A Costs						
O&M	$1,729,772	$1,857,325	$1,657,609	$1,601,073	$1,569,890	$1,626,597	$1,898,803
Admin Expenses	$4,265,793	$4,154,814	$4,318,737	$4,451,152	$4,718,293	$4,779,773	$5,662,569
Total Recoverable OM&A from Appendix 2-JB	$5,995,565	$6,012,140	$5,976,346	$6,052,225	$6,288,183	$6,406,370	$7,561,372
Number of Customers (Average FTE equivalent)	26,978	27,152	27,387	27,650	27,826	28,040	28,147
Number of FTEs (Average FTE equivalent)	54.00	53.57	52.41	50.45	49.72	51.88	54.13
Customers/FTEs	499.59	506.90	522.55	548.06	559.65	540.53	520.04
	OM&A cost per Customer						
O&M per customer	$64	$68	$61	$58	$56	$58	$67
Admin per customer	$158	$153	$158	$161	$170	$170	$201
Total OM&A per customer	$222	$221	$218	$219	$226	$228	$269
	OM&A cost per FTE						
O&M per FTE	$32,033	$34,674	$31,628	$31,736	$31,575	$31,356	$35,082
Admin per FTE	$78,996	$77,566	$82,403	$88,229	$94,897	$92,140	$104,620
Total OM&A per FTE	$111,029	$112,240	$114,031	$119,965	$126,472	$123,496	$139,702

Table 11 - Recoverable OM&A per Customer and per FTE Equivalent– 2016 to 2021 (Chapter 2 Appendix 2-L), is a summary of the OM&A Cost per Average Customer and OM&A Cost per Average Full-Time Equivalent ("FTE"). The FTEs agree to the numbers shown in the Compensation

[4] MFR - Recoverable OM&A Cost per customer and per FTE; Appendix 2-L

Section 4.4. The number of customers is based on the annual average for each rate class and is consistent with the average of the year end load forecast customer numbers.

OM&A per Customer for the 2016 Board Approved was $222, compare to 2016 Actual OM&A per customer which was $221. OM&A per customer for the 2017 and 2018 is fairly consistent and is lower than 2016 Board Approved. 2019 OM&A per customer is $7.09 or 3.2% higher than 2018. For the 2020 Bridge Year, the OM&A per customer is projected to be $228 or 1.1% higher than 2019 Actuals. 2021 Test Year OM&A per customer is projected to increase to $269 or $40.16, a 17.6% compared to 2020 Bridge Year. The drivers for this increase are discussed in Section 4.2.4. It is important to note that even with the proposed 2021 Test Year increases, HHHI is forecasting to remain in Group 1 of the PEG report. The forecasted PEG Benchmarking model is filed in Summary of PEG Forecasted Cost Benchmarking Results Appendix 4-2.

4.2.4 COST DRIVERS

Table 12 - Cost Driver Table – OEB Appendix 2-JB provides a list of the cost drivers that affected HHHI's OM&A year over year spending based on the materiality threshold, or where the cost driver is common or a recurring expenditure that has impacted multiple years. The OM&A opening balance for the last rebasing year of $5,995,565, represents the 2016 Board Approved, as described previously.

HHHI's the proposed OM&A of $7,561,372 for the 2021 Test Year is $1,549,232 or 25.8% higher than the 2016 Actuals of $6,012,139 and $1,565,807 or 26.1% higher than the 2016 Board Approved.

HHHI has provided the OM&A Cost Drivers using the Board's Appendix 2-JC below in Section 4.3.

Table 12 - Cost Driver Table – OEB Appendix 2-JB[5]

Description	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Actual**	**2020 Bridge Year**	**2021 Test Year**	
Opening Balance (Excluding LEAP & Property Taxes)	**$5,995,565**	**$6,012,139**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$5,995,565**
Salaries and benefits							
Pay Equity Adjustment			$181,775				$181,775
Increase in FTE				$53,750	$65,373	$250,324	$369,447
Increase in wages and staff progressions						$103,906	$103,906
Increase in benefit costs						$82,967	$82,967
Change in labour burden allocation						$120,698	$120,698
Training and staff development				$58,645	($5,658)		$52,987
Professional Service			$38,500		($115,655)		($77,155)
Bad Debt expense	($114,548)	$107,007	($12,500)				($20,041)
Climate Change (Admin)						$279,700	$279,700
Cybersecurity and IT Training			$13,142	$36,706	$71,293	$91,300	$212,441
Transformer Station (Insurance, Control Room)				$1,086	$138,680	$50,586	$190,352
Mtce Operations (Switch Mtce)						$23,535	$23,535
Trucking costs				$65,730	($20,891)	$37,608	$82,447
Underground cable testing (ENG)					($39,940)	$25,000	($14,940)
Metering (wireless communication costs)						$24,680	$24,680
Regulatory						$16,000	$16,000
Materials and other cost increases					$31,357	$7,138	$38,495
Vegetation Management	$84,855	($181,855)	$6,567	($34,174)	$72,259	$25,000	($27,348)
Other	$46,267	$39,055	($151,605)	$54,215	($78,631)	$16,560	($74,139)
Closing Balance (Excluding LEAP & Property Taxes)	**$6,012,139**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$7,561,372**	**$7,561,372**

Overall OM&A Cost Trends summarizes the material costs trends and primary drivers that have influenced the change in HHHI's OM&A expenditures since 2016, up to and including the 2021 Test Year.

The 2016 Board Approved OM&A of $5,995,565, excluding LEAP and property tax amounts, was approved on an envelope approach in HHHI's 2016 Cost of Service application (EB-2016-0074). HHHI has managed its OM&A from 2016 to 2019 on that basis. HHHI's prudent management of OM&A consistently outperforms the predicted costs in the annual PEG report.

Innovation initiative

[5] MFR - Recoverable OM&A cost drivers; Appendix 2-JB

HHHI has a strong mandate of innovation. The Electricity Distributors' Association ("EDA") awarded HHHI with the Innovation Excellence award for innovation initiatives which contributed to building a strong, resilient Leadership Team and fostering ongoing innovation throughout the utility. HHHI's Leadership Team participated in a 'utility of the future' simulation which encouraged exploring new ideas, processes and procedures while also exploring new technologies and their impacts and potentials. The simulation led to a change in Corporate Culture emphasizing innovative thinking at all levels of the company. This simulation also led to the creation of a new technology committee that explores emerging technology opportunities for the HHHI. Throughout the organization, staff have adopted a mindset of "relentless incrementalism", representing small steps that can be taken to achieve cost savings, efficiencies and process improvements. Innovations include changes to processes, changes to tools or equipment or improvements to procedures. Since implementation in 2018, HHHI has had over 170 innovative ideas brought forward by staff leading to a number of cost savings, safety, productivity and customer service improvements. HHHI has taken several steps to adopt innovative processes and technologies into its business model.

Cost Driver - Salaries and Benefits $858,793

HHHI's workforce is comprised of unionized and non-unionized employees. Since 2016, wage increases for collective bargaining, pay equity, new hires and benefits have contributed to an increase of $858,793 in operating costs for HHHI.

The cost drivers for salaries and benefits include annual collective agreement wage adjustments, progression and merit increases for union staff and non-union staff. Increases were also realized in benefit costs for OMERs pension and group benefits including health and dental. In addition, HHHI incurred a material pay equity cost increase for which HHHI attempted to recover the pay equity costs as a 'Z-Factor' recovery request (EB-2017-0045). The OEB Decision and Rate Order (EB-2017-0045), dated April 26, 2018 denied HHHI's Z-Factor Pay Equity Application (Appendix 4-3).

Please refer to Section 4.4 Compensation with respect to further information with respect to HHHI's Compensation.

Cost Driver - Climate Change Plan $279,700

In 2021 Test Year, HHHI is allocating approximately 2.0% of proposed distribution revenue or $279,700 towards HHHI's Climate Change Plan and in support of the Town of Halton Hills declared climate change emergency (May 2019). Further details of the declaration can be found on the Town of Halton Hills website https://www.haltonhills.ca/en/your-government/climate-change.aspx.

Background

In May, 2019, the Town of Halton Hills declared a climate change emergency. As part of this declaration, the Town has committed to achieving a net-zero target by 2030.

Along with distribution system enhancements to address climate change, HHHI is looking throughout its business to adapt to a changing climate, to reduce the impact of its operations on the environment, and to support Town of Halton Hills initiatives. Specifically, this climate change plan builds on the HHHI 2020 climate change strategy to support the Town's 2020-2025 Corporate Energy Plan and Low Carbon Transition Strategy.

The impact of climate change on utility infrastructure is not only being recognized locally, but is also being considered in other jurisdictions across the globe. Some recent examples include:

- The State of California recently issued a proposal which would require utilities to incorporate climate change vulnerability assessments into their rate cases;
- The US Department of Energy issued a guide for climate change resilience planning in the electricity sector; and
- The European Union has created a 2030 climate and energy framework.

In recognition of the importance of planning for climate change as an integral part of corporate operations, HHHI has created a climate change budget to support low carbon initiatives and activities. This plan outlines some of the projects this budget may fund.

Supporting Low-Carbon Mobility

HHHI will support the Halton Hills' goals to facilitate electric vehicle (EV) infrastructure. Through its affiliate companies, HHHI has already supported the installation of EV charging stations at the Acton Arena and Mold-Masters SportsPlex as well as two (2) charging stations at the HHHI Administration Building.

HHHI will work with the Town of Halton Hills Low-Carbon Mobility subcommittee to evaluate further locations for public charging. The Town's Draft EV Charging Policy identifies a number of potential locations for new public charging facilities. Locations being evaluated by the town are as follows.

Table 13 - source: Draft Town of Halton Hills EV Charging Policy v1.2

Description	Address
Public Use	
Edith St Parking lot	60 Edith St
Georgetown Fairgrounds	1 Park Ave
Willow St Parking lot	14 Willow St N
Halton Hills Fire Department HQ	14007 10th Side Rd
Acton Fire Station	21 Churchill Rd S
Dominion Gardens Park	118 Guelph St
Gellert Community Centre	10241 8 Line
Robert C Austin Operations Centre	11620 Trafalgar Rd
Town of Halton Hills Town Hall	1 Halton Hills Dr

HHHI will provide funds or in-kind services to assist with the installation of these charging facilities as appropriate.

Budget: $56,700

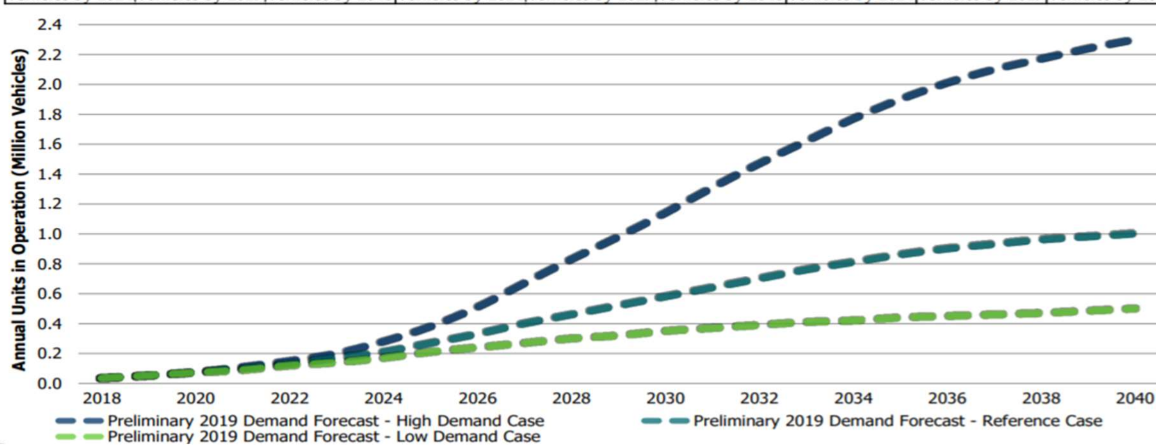
Preparing for EV Charging Impacts

At present time, HHHI's distribution system has adequate capacity to accommodate additional EV charging infrastructure, however, as EV charging stations proliferate, the load on certain aspects of the distribution system could be more impactful. In particular, the demand requirements of Level 2 and Level 3 chargers can be substantial. Level 3 chargers can require peak energy demands of up to 500kW. As these types of chargers begin to proliferate, distribution system assets may need to be upgraded to handle the increased load.

Various projections from the IESO predict anywhere from a 10% to 35% annual increase in EV sales over the next twenty (20) years. Depending on the number and level of chargers installed to meet the requirements of these vehicles, the impact on the power quality and voltage levels on distribution feeders could be significant.

Table 14 - Source: IESO Preliminary Long-term Demand Forecast 2019

Low Demand Case			Proposed Case			High Demand Case		
Years 1-5 (2020-2024)	Years 6-10 (2025-2029)	Years 11-21 (2030-2040)	Years 1-5 (2020-2024)	Years 6-10 (2025-2029)	Years 11-21 (2030-2040)	Years 1-5 (2020-2024)	Years 6-10 (2025-2029)	Years 11-21 (2030-2040)
10% annual increase in EV sales			20% annual increase in EV sales			35% annual increase in EV sales		
*170 k vehicles by 2024	320 k vehicles by 2029	500 k vehicles by 2040	210 k vehicles by 2024	520 k vehicles by 2029	1,000 k vehicles by 2040	280 k vehicles by 2024	980 k vehicles by 2029	2,300 k vehicles by 2040



HHHI will undertake distribution feeder impact assessments on three (3) feeders per year to identify high risk feeders and the potential impacts of EV charging. These assessments will inform decisions on EV charging placement, sizing and technology. These studies may also provide recommendations for smart charging stations that can help alleviate some of the impact of EV charging through managing and balancing EV charging time and draw.

Budget: Four (4) Feeders per year at $80,000.

Renewable/Low-Carbon Energy

HHHI will assist the Halton Hills in its goal to move towards low-carbon or renewable energy sources. This could include combined heat and power (CHP), geothermal installations, battery storage or renewable energy installations such as solar panels. Through its parent company, HHHI has already enabled the installation of roof top solar generation on three (3) Town facilities.

HHHI has contributed to research at McMaster University on an Integrated Community Energy (ICE) Harvesting System demonstration and research project which integrates CHP with thermal energy storage and microgrid technologies. This project, undertaken through the GridSmart City cooperative, may provide insights which could benefit the Town's procurement strategies.

Budget: $20,000

Energy Conservation Initiatives

HHHI will assist the Halton Hills in improving facility energy efficiency through conservation initiatives. HHHI can draw on its experience in delivering energy conservation programs to assist the Town in promoting the Home Retrofit Acceleration Program.

Budget: $60,000

Climate Change Coordinator

To ensure HHHI can effectively and efficiently implement climate change initiatives successfully, a Part-Time Climate Change Coordinator role will be created.

This person will work with the Town of Halton Hills to provide support for its Corporate Energy Plan. As well, they will participate in the advisory committee for the Low Carbon Transition Strategy. The coordinator will analyze sustainability opportunities and innovations to ensure HHHI is positioned to meet the challenges of climate change.

Budget: $53,000

Conclusion

HHHI recognizes the importance of planning for and managing the impacts of climate change. The strategies outlined in this plan will assist the HHHI and the Town of Halton Hills in adapting to the impacts of climate change and in moving towards achieving a net-zero target.

Table 15 - Summary of Climate Change Plan

Description	Amount
Supporting Low-Carbon Mobility	$66,700
Preparing for EV Charging Impacts	$80,000
Renewable / Low-Carbon Energy	$20,000
Energy Conservation Initiatives	$60,000
Climate Change Coordinator	$53,000
Total	**$279,700**

Cost Driver - Cyber Security $212,441

Table 16 - Cyber Security Costs

Year	Amount
2018	$13,142
2019	$36,706
2020 Bridge Year	$71,293
2021 Test Year	$91,300
Total	**$212,441**

The risk of security breaches and exposure to cyber-attacks within the electrical energy sector has grown substantially with the implementation of Smart Grids, Smart Metering and Self-Generation. Increased use of automation, different communication networks, and the use of wireless networks, data flows, hand-held electronic devices and the internet of things ("IoT") have created attack vectors that have not been considered in the past. As well, the growing demand for real-time data exchange between entities within the province, to support business units have resulted in increased cyber security risks to Ontario's energy sector. In December 2017, the OEB issued its Ontario Cyber Security Framework with the objective to increase security and privacy in LDC's, with the overall goal of reducing cyber risk and improving service resilience. HHHI's IT staff and Privacy Officer participated in multiple IT related committees and working groups with the OEB, GridSmart City and Utility Standards Forum ("USF").

Over the past five (5) years there have been significant changes and advancements in Information Technology (IT) and Cybersecurity. Organizations in all sectors of business (including HHHI) have become more aware of cyber threats and have continued to augment HHHI's precautions to protect customer's personal information and data. Cybersecurity costs are new incremental OM&A cost and are not part of the past OM&A envelope approach (EB-2015-0074).

HHHI's established Cybersecurity Team, consisting of the IT Supervisor, Operations Manager, CFO & Privacy Officer and President & CEO, have introduced and maintained frequent cybersecurity awareness and engagement with all staff. Most recently, HHHI introduced KnowBe4, the world's largest security awareness training and simulated phishing platform. Frequent training to update staff on cyber threats has proven itself as an effective way to reduce potential cyber threats as the staff is the front line defense against cyber threats that come through email.

Below, HHHI has outlined some of the cyber security programs HHHI has implemented or plans to implement in order to become compliant with the OEB Ontario Cyber Security Framework and to protect both HHHI and customer information.

Managed Detection & Response (MDR)

In order to fully meet the requirements for managed detection and response, IT systems require continuous 24/7 scanning, detection and monitoring. This requires personnel available to view and respond to logs and alerts as they happen. Current scanning software only runs on a periodic schedule and logs are only reviewed periodically. This means that there is a risk of breaches or vulnerabilities not being detected for some time, however, HHHI does not have the internal resources to comply with this control.

MDR is an all-encompassing cybersecurity service used to detect and respond to cyber-attacks. Using the best of signature, behavioral and anomaly detection capabilities, along with forensic investigation tools and threat intelligence, human analysts hunt, investigate and respond to known and unknown cyber threats in real time, 24x7x365.

HHHI implemented a 3rd party service to provide continuous scanning, monitoring and response with alert notification provided to HHH staff.

Demilitarized Zone (DMZ) - Web Server & Mail Gateway

In computer security, a DMZ Network (sometimes referred to as a "demilitarized zone") functions as a subnetwork containing an organization's exposed, outward-facing services. It acts as the exposed point to an untrusted network, commonly the Internet. The DMZ Network exists to protect the hosts most vulnerable to attack. These hosts usually involve services that extend to users outside of the local area network, the most common examples being email and web servers. Because of the increased potential for attack, they are placed into the monitored subnetwork to help protect the rest of the network if they become compromised. In 2020, IT will segregate the existing AccountOnline customer portal and soon to be introduced Mail Gateway into a fully protected virtual DMZ.

Storage Area Network (SAN) Replacement

HHHI plans to replace the IBM Storwize v3700 SAN unit purchased in November 2013 which is currently on an annual maintenance contract.

Replacing the existing SAN unit with a newer IBM Storwize model using Flash Array disk vs spinning disk will improve the performance by ten (10) times. The latest models allow for such configurations as: encryption, flashcopy, remote mirroring, easy tier, compression and deduplication. Current generation IBM Storwize supports encryption for data at rest. Data-at-rest encryption is a current control requirement as part of our OEB Cybersecurity Framework (PR-DS-1).

In 2021, HHHI's IT department will continue its investment in technology that enables HHHI to reduce cybersecurity threats. Projects include network switch replacement, firewall replacement, and PC replacements. As well, in 2021 IT will make an investment in the development of HHHI's website to ensure it is compliant with the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11.

Cost Driver – MTS#1 Transformer Station Costs $190,352

As explained in Exhibit 2, in late 2019, HHHI commissioned a new Municipal Transformer Station (MTS1), deemed a distribution asset (EB-2018-0328), at a cost of $24,475,012 including land.

MTS1 is a new asset and not a replacement of an existing asset. The new incremental OM&A cost is not part of the past OM&A envelope approach. The incremental OM&A costs for this new asset is presented in Table 17 - Transformer Station Incremental OM&A Costs below.

Table 17 - Transformer Station Incremental OM&A Costs

Transformer Station Costs	2019	2020	2021
Control Room and Station Maintenance		$73,050	$90,000
Expendable Materials		$1,300	$1,300
Fibre Cable, Internet, Phone Line and Security	$1,086	$16,300	$16,530
Property Tax		$43,030	$44,321
Snow Removal		$4,000	$4,000
Building Maintenance		$1,000	$1,000
Property Insurance			$32,115
Total	**$1,086**	**$138,680**	**$189,266**
Incremental Costs	$1,086	$137,594	$51,672
Total Incremental Costs			**$190,352**

4.3 PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

4.3.1 OM&A PROGRAMS

4.3.1 MATERIALITY THRESHOLD

The materiality threshold used by HHHI to determine the OM&A accounts requiring analysis was computed based on the Chapter 2 Filing Requirements as 0.5% of the proposed distribution revenue requirement. HHHI has adopted a threshold of $80,000 for variance analysis. The calculation of materiality is set out in Table 18 - Materiality Threshold for Variance Analysis.

Table 18 - Materiality Threshold for Variance Analysis

Description	2021 Test Year
Distribution Revenue Requirement	$15,752,482
Materiality Threshold	$0
Materiality Calculated	$78,762
Materiality Used	**$80,000**

4.3.2 OVERVIEW

As part of the overall financial management of HHHI's operating costs, HHHI produces monthly financial statements and operating variance analysis in comparison to the approved budget. The operating variance analysis, which reports significant variances by department, is distributed to the Leadership Team on a monthly basis. HHHI business decision process includes a review of mitigating risks in the maintenance and operation of the distribution system, safely and reliably, while achieving strategic imperatives of safely and wellness for employees and the public, all within the OM&A envelop approved by the Board. [6]

As part of governance oversight, the Board of Directors receive monthly financial reports and analysis of operating variances.

HHHI also benchmarks its financial management and operating efficiencies to the OEB's Annual Yearbook publication and Annual PEG Report.

Table 19 - OEB Appendix 2-JC – OM&A Programs Table below, provides a summary of Operations, Maintenance, Billings and Collections, and Administrative expenses for the 2016 Board Approved, 2016 Actual, 2017 Actual, 2018 Actual, 2019 Actual, 2020 Forecasted Bridge Year and 2021 Forecasted Test Year, by Program.

An analysis is provided on all material variances that exceed the materiality threshold for the 2021 Test year versus 2020 Bridge Year and 2021 Test Year versus 2016 Board Approved. Explanation are provided only for items in Table 19 - OEB Appendix 2-JC – OM&A Programs Table exceeding the materiality threshold.

[6] 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 19 - OEB Appendix 2-JC – OM&A Programs Table[7]

Programs	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year	Variance (Test Year vs. 2019 Actual)	Variance (Test Year vs. 2016 Board Approved
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS		
Distribution Expenses - Operation	$1,355,647	$1,412,667	$1,374,606	$1,283,640	$1,264,254	$1,211,047	$1,440,803	$176,550	$85,157
Sub-Total	**$1,355,647**	**$1,412,667**	**$1,374,606**	**$1,283,640**	**$1,264,254**	**$1,211,047**	**$1,440,803**	**$176,550**	**$85,157**
Distribution Expenses - Maintenance	$374,125	$444,659	$283,003	$317,433	$305,637	$415,550	$458,000	$152,363	$83,875
Sub-Total	**$374,125**	**$444,659**	**$283,003**	**$317,433**	**$305,637**	**$415,550**	**$458,000**	**$152,363**	**$83,875**
Billing and Collecting	$1,559,240	$1,097,634	$1,130,882	$1,148,642	$1,125,654	$1,171,162	$1,177,856	$52,202	($381,384)
Sub-Total	**$1,559,240**	**$1,097,634**	**$1,130,882**	**$1,148,642**	**$1,125,654**	**$1,171,162**	**$1,177,856**	**$52,202**	**($381,384)**
Administrative and General Expenses	$3,122,070	$3,057,180	$3,187,856	$3,302,510	$3,592,639	$3,608,611	$4,484,712	$892,074	$1,362,642
Reduction in OM&A as Settlement Agreement (Envelope approach reduction) and Interrogatory	($450,000)							$0	$450,000
Future Employee Benefits	$34,483							$0	($34,483)
Sub-Total	**$2,706,553**	**$3,057,180**	**$3,187,856**	**$3,302,510**	**$3,592,639**	**$3,608,611**	**$4,484,712**	**$892,074**	**$1,778,159**
Program Expenses before LEAP	**$5,995,565**	**$6,012,140**	**$5,976,346**	**$6,052,225**	**$6,288,183**	**$6,406,370**	**$7,561,372**	**$1,273,189**	$1,565,807
LEAP	$12,027	$13,906	$12,539	$12,511	$13,086	$11,945	$18,890	$5,804	$6,863
Sub-Total	**$12,027**	**$13,906**	**$12,539**	**$12,511**	**$13,086**	**$11,945**	**$18,890**	**$5,804**	**$6,863**
Miscellaneous								$0	$0
Total	**$6,007,592**	**$6,026,046**	**$5,988,885**	**$6,064,736**	**$6,301,269**	**$6,418,315**	**$7,580,262**	**$1,278,993**	**$1,572,670**

[7] 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

4.3.3 VARIANCE ANALYSIS – PROGRAMS

2021 Test Year vs. 2016 Board Approved

The 2016 Board Approved OM&A excluding LEAP and property taxes was $5,995,565. Through the 2016 interrogatory and settlement agreement process (EB-2015-0074), OM&A was reduce by $450,000 offset by $34,483 relating to Future Employee Benefits for a net envelop OM&A reduction of $415,517. The reduction was an envelope approach and for the purposes of settlement agreement, the reduction was all allocated to Administrative and General Expenses. Below is an excerpt from the settlement agreement.

"The breakdown of the budget into categories is not intended by the Parties to be in any way a deviation from the normal rule that it is up to management to determine through the year how best to spend that budget given the actual circumstances and priorities of the company throughout the test year"

HHHI has managed its Actual OM&A expenses on the envelope approach basis in order to maintain the approved level of OM&A.

Distribution Expenses Operation – Increase of $85,157

The primary reason for the increase in Distribution Operating Expenses between 2021 Test Year and 2016 Board Approved is the increase in costs of wages and benefits in the collective agreement. The increase is offset by a reduction in metering expense due to an increase in capitalization of metering costs. Also included are the incremental costs for the new transformation station (MTS1) discussed in the cost driver section above.

Distribution Expenses Maintenance – Increase of $83,875

The primary reason for the increase in Distribution Maintenance Expenses between 2021 Test Year and 2016 Board Approved is the incremental OM&A expense for the MTS1 transformer station explained in the cost drivers above.

Billing and Collection – Decrease $381,384

The decrease in Billing and Collection Costs between 2021 Test Year and 2016 Board Approved is a result of:

(i) Reduction in postage costs due to an increase in E-billings;
(ii) Reduction in customer communication cost as HHHI focuses on more electronic communications;
(iii) Reduction in contract labour costs as a result of the increase in the amount of recovery related to water and waste water billings;
(iv) Reallocation of supervision costs to administration.

Administrative and General Expenses – Increase $1,778,159

Taking into consideration, the impact of the envelop reduction of $415,517 from EB-20015-0074 the overall increase in administrative and general expenses is a result of the following:

(i) Increase in salaries and benefits includes wages, OMERs pension costs and group benefits cost;
(ii) Incremental cybersecurity costs as explained above in Section 4.2.4.
(iii) HHHI Climate Change Initiative costs explained above in Section 4.2.4.
(iv) Reallocation of supervision costs to administration

HHHI continues to prudently manage and control OM&A costs well below the predicted costs as presented in the annual PEG report.

2021 Test Year vs. 2019 Actuals

Distribution Expenses - Operation – Increase of $176,550

The reasons for the increase in Distribution Operating Expenses between 2021 Test Year and 2019 Actuals are:

(i) Increase in wages and benefit costs - the current collective agreement expired on March 2020; bargaining has been delayed due to COVID-19. Historical and forecasted wage increases are shown in Table 21 - PWU Annual Wage Increase below;

(ii) Increase in the portion of labour costs allocated to OM&A versus capital - as outlined in Exhibit 2, HHHI's capital budget is reducing in 2021 Test Year. HHHI's capital expenditure in the 2021 Test Year through to 2025 will average $5.28 million annually, down from historical years. HHHI will be strategically focusing on maintenance mode as opposed to historical level of capital expenditures. As a result of this strategic focus, the 2021 Test Year OM&A Labour/Burden allocation increased to 30% OM&A/ 70% Capital from 20% OM&A / 80% Capital. This is not a cost increase but rather a reallocation between Capital and OM&A.

<u>Distribution Expenses - Maintenance – Increase of $152,363</u>

The reasons for the increase in Distribution Maintenance Expenses between 2021 Test Year and 2019 Actuals are:

(i) The incremental OM&A expense for the MTS1 Transformer Station as explained in the cost drivers above;

(ii) Increase in vegetation management costs.

<u>Administrative and General Expenses – Increase $892, 074</u>

The increase in administrative and general expenses is a result of the following;

(I) Increase in salaries and benefits includes wages, OMERs pension costs and group benefits;

(II) Incremental cyber security costs as explained above in Section 4.2.4.

(III) HHHI Climate Change Initiative costs explained above in Section 4.2.4.

4.4 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION

4.4.1 OVERVIEW

Since HHHI last filed in 2016, many new initiatives have been brought forward by the OEB such as changes to customer rules, billing changes and increased focus on cyber security.

A continuing theme of an aging workforce has resulted in cost pressures to recruit and develop a new generation of employees. As shown on Table 20 - Average Age of Employees the average age of management employees has increased by 1.13 years, while union employees' average age decreased by 0.88 years.

Table 20 - Average Age of Employees in Years

	2016 Average Age	2019 Average Age	Difference
Management	47.23	48.36	1.13
Union	44.69	43.81	(0.88)

HHHI recognizes the alignment of the contributions of its employees to the success of its business. HHHI strives to pay competitively and equitably for employee performance yet is cognizant of the budgetary and business constraints of operating in a regulated environment.

HHHI's overall compensation philosophy for all employees is designed to be competitive and equitable in order to attract and retain qualified personnel in an industry that is facing an aging workforce and is very competitive for skilled resources. The compensation package includes a base wage, benefits package and performance pay for non-unionized staff. HHHI's workforce is comprised of both unionized and non-unionized management staff.

4.4.2 UNIONIZED EMPLOYEES

The compensation for unionized employees is negotiated through the collective bargaining process and includes both office and trades workers. HHHI's unionized workforce is represented by the Power Workers Union CUPE, Local 1000 ("PWU").

HHHI's collective agreement with unionized staff provides for annual payroll increases and employee step progressions. Labour rates and benefits are adjusted annually based on negotiated percentages as per the Collective Agreement.

HHHI's most recent Collective Agreement with the Bargaining Unit was for the four (4) year period from April 1, 2016 to March 31, 2020. Labour wage increases were the result of a negotiated process and wage increases were based on factors such as recent settlements reached in the LDC sector, particularly in neighbouring LDCs, as well as the local cost of living inflation factor.

The expired Collective Agreement (March 31, 2020) continues to be recognized by both the Union and HHHI. Due to the COVID-19 pandemic, negotiations with the Bargaining Unit have been deferred and a new contract has not been negotiated at the time of filing this application.

Table 21 - PWU Annual Wage Increase summarizes the annual wage adjustments under the Collective Agreements for the years April 1, 2016 to March 31, 2020 and forecast increase for the 2020 Bridge Year and 2021 Test Year.

Table 21 - PWU Annual Wage Increase

Union Staff Annual Wages Increase

	Actual	**Actual**	**Actual**	**Actual**	**Actual**	**Budget effective date**	**Budget effective date**
	01-Apr-16	**01-Apr-17**	**01-Apr-18**	**01-Apr-19**	**01-Oct-19**	**01-Apr-20**	**01-Apr-21**
Annual Wages Increase	2.00%	2.00%	2.20%	1.30%	1.00%	2.00%	2.25%

Each job classification at HHHI has a wage rate progression scale that increases from a base rate to a maximum rate.

HHHI maintains a collaborative approach with a mutual gains bargaining philosophy to labour relations. The compensation for unionized employees is negotiated through the collective bargaining process.

4.4.3 NON-UNION / MANAGEMENT EMPLOYEES [8][9][10]

HHHI's total compensation philosophy is based on its desire to attract, retain and motivate an outstanding workforce. HHHI provides a total compensation program that establishes and maintains competitive salary levels within relevant markets and available resources, which is consistent with job content, responsibilities and expectations. The program emphasizes and encourages excellence by rewarding employee contributions, including performance pay, that support HHHI's core values of Customer Focus, Teamwork, Safety and Wellness, Community, Accountability, Innovation, and Environmental Stewardship.

HHHI's total compensation program is reviewed and analyzed for its competitiveness against three (3) market comparators:

<u>Broader Public Sector (BPS) Ontario – including GTA</u>

- Includes public sector and non-profit organizations

<u>Industrial and Private Sector Ontario – including GTA</u>

- Includes private organizations in a variety of NAICS sectors

[8] Description of previous and proposed workforce plans, including compensation strategy
[9] MFR - Details of employee benefit programs including pensions for last OEB approved, historical, bridge and test; must agree with tax section
[10] 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)

LDC Sector

- Includes information of LDC compensation in the province of Ontario

HHHI considers its primary competition for talent to be the LDC market, yet recognizes the requirement to maintain a balanced review and approach against both the private and public sector markets.

In setting its total compensation, HHHI uses the 50th percentile position against the public and private sectors, with a primary focus on maintaining a 50th percentile position against its LDC market competition.

Salaries

HHHI uses a pay grade system within the non-union / management employees, with each pay grade having a higher base salary as the level of responsibility increases.

HHHI maintains a base salary band of 85% to 115% for each position. Job rate (100%) is the rate at which a fully experienced and competent individual achieves or is expected to operate. Below job rate, the individual is considered developing. Achieving above job rate is possible for individuals who have demonstrated mastery or consistent superior performance in one or more roles. The use of a salary band provides for:

- Opportunity to reward, retain and attract top talent beyond 100%;
- Opportunity to mitigate compression issues between unionized staff and management; and
- Opportunity to place individuals new to the position in a developmental salary range.

The use of a base salary band is also consistent with best practice and the LDC market comparators.

Annual increases in base salary are determined through HHHI's performance management program, which provides a system for rewarding employees based on behavior and performance competencies.

Table 22 - Annual Salary Adjustment for Non-Union / Management summarizes the annual salary adjustments for the Non-Union and Management employees, which was computed on an annual basis as a percentage of the total salary adjustment based on the annual merit review determined at the beginning of the year, as a percentage of salaries prior to the adjustment. Management staff includes the Leadership Team.

Table 22 - Annual Salary Adjustment for Non-Union / Management

Non-Union / Management Employees

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
Average Annual Wages Increase	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Performance Pay

HHHI places considerable emphasis on results and performance. In 2020, HHHI implemented SMART (Specific, Measurable, Achievable, Relevant, Time-bound) Goals performance system. Goals are intended to challenge the Leadership Team to consider how they can improve overall and with individual skills to maximize HHHI's potential and further enhance its contribution to the community and shareholder.

HHHI's performance pay program utilizes a Balanced Score Card ("BSC") approach to goal setting and annually assigns a weighted goal to each of the following four (4) categories: (i) Financial Performance; (ii) Service; (iii) People; and (iv) Community. The BSC and related objectives are aligned to HHHI's Strategic Plan.

The objective of the BSC approach is to recognize that the leadership team contributes materially to the success of the organization through their direct ability to impact the business, innovation and leadership. The BSC approach is awarded annually based on the achievement of weighted objectives that are established at the beginning of each performance year. The President and CEO and Human Resources review the Leadership Team compensation annually.

As part of HHHI's Board governance oversight, HHHI's Board Compensation Committee reviews the compensation package of the President and CEO and makes recommendation to HHHI's Board of Directors. The Compensation Committee serves as a liaison between the CEO and HHHI's Board on all compensation and human resources issues for senior executives. HHHI's Board of Directors has final approval.

4.4.4 EMPLOYEE BENEFITS PROGRAM

A comprehensive and competitive benefits package exists which is designed to address the health and welfare of HHHI's employees. The components of the benefit package include medical and dental benefits, a company sponsored retirement plan (OMERS), life insurance, long term disability, Employer Health Tax, CPP and EI contributions, WSIB insurance and vacation. The benefit plans for both union and non-union / management employees are similar.

HHHI's collective agreement with unionized staff provides for benefits which are a result of a collaborative and negotiated process, based on factors such as recent settlements in the LDC sector including neighbouring LDC's.

Please refer to Section 4.4.8 for further analysis of Employee Benefits.

4.4.5 EMPLOYEE COSTS AND VARIANCE ANALYSIS

4.4.5.1 OVERVIEW

Table 23 - Employee Costs (Board Appendix 2-K) summarizes the Employee complement, compensation and benefits for the HHHI 2016 Board Approved, 2016 Actuals, 2017 Actuals, 2018 Actuals, 2019 Actuals, 2020 Bridge Year and 2021 Test Year. All compensation amounts have been included, whether expensed or capitalized. The number of employees ("FTEs") is based on the

computation of the number of full-time equivalent positions throughout each of the fiscal years. Employees that were hired during the year or employees that left the organization were pro-rated based on the start and end dates. FTEs exclude Board of Directors.

FTE counts are based on an annual average.

Table 23 - Employee Costs (Board Appendix 2-K) [11]

	Last Rebasing Year (2016 OEB Approved)	***Last Rebasing Year (2016 Actuals)***	***2017 Actuals***	***2018 Actuals***	***2019 Actuals***	***2020 Bridge Year***	***2021 Test Year***
Number of Employees (FTEs (Equivalent) including Part-Time)							
Management (including executive)	12.00	12.00	12.00	13.00	13.00	13.00	13.00
Non-Management (union and non-union)	42.00	41.13	39.69	36.21	37.23	39.75	42.50
Total	**54.00**	**53.13**	**51.69**	**49.21**	**50.23**	**52.75**	**55.50**
Total Salary and Wages including overtime and performance pay							
Management (including executive)	$1,272,803	$1,441,541	$1,490,328	$1,524,396	$1,708,883	$1,686,887	$1,733,427
Non-Management (union and non-union)	$3,309,796	$3,029,051	$3,036,854	$3,015,966	$2,990,839	$3,142,757	$3,444,252
Total	**$4,582,599**	**$4,470,592**	**$4,527,183**	**$4,540,361**	**$4,699,721**	**$4,829,645**	**$5,177,680**
Total Benefits (Current + Accrued)							
Management (including executive)	$323,315	$374,368	$398,412	$417,433	$437,500	$380,006	$432,753
Non-Management (union and non-union)	$875,226	$763,355	$799,997	$785,152	$782,297	$910,205	$1,009,655
Total	**$1,198,541**	**$1,137,722**	**$1,198,408**	**$1,202,585**	**$1,219,797**	**$1,290,210**	**$1,442,408**
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	$1,596,117	$1,815,909	$1,888,740	$1,941,828	$2,146,383	$2,066,893	$2,166,181
Non-Management (union and non-union)	$4,185,023	$3,792,405	$3,836,851	$3,801,118	$3,773,136	$4,052,962	$4,453,907
Total	**$5,781,140**	**$5,608,314**	**$5,725,591**	**$5,742,946**	**$5,919,519**	**$6,119,855**	**$6,620,087**

4.4.5.2 FULL TIME EMPLOYEES

[11] MFR - Employee Compensation - completed Appendix 2-K

Table **24 - Number of Full Time Equivalent Employees by Department** summarizes the number of full-time equivalent employees by department since 2016, as well as showing the 2016 Board Approved figures at the department level.

Table 24 - Number of Full Time Equivalent Employees by Department

Department	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
Operations	14.00	13.41	13.34	12.06	12.67	14.25	14.50
Stores/Stockroom	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Trucking	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Customer Care and Billing	13.50	13.90	11.25	10.29	10.46	10.50	10.50
Information Technology	2.50	2.64	2.33	2.06	2.31	2.50	3.50
Finance and Regulatory	5.50	5.94	6.01	5.88	5.44	6.00	6.50
Engineering	7.50	5.53	6.95	7.14	7.03	7.50	8.50
Metering	2.00	1.71	0.82	0.78	1.00	1.00	1.00
Substations	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Locate	1.00	1.00	1.00	1.00	1.00	1.00	1.00
System Planning	-	2.00	2.92	3.00	2.67	2.00	2.00
Human Resources	-	-	-	-	0.65	1.00	1.00
Administration	4.00	4.00	4.07	4.00	4.00	4.00	4.00
Total	**54.00**	**53.13**	**51.69**	**49.21**	**50.23**	**52.75**	**55.50**
Change in number of position by year	-	(0.87)	(1.44)	(2.48)	1.02	2.52	2.75

For the purposes of the variance analysis with respect to the change in full-time employees, Table 25 - Changes in Number of Full-Time Employees by Year, 2021 Test Year vs. 2016 Board Approved summarizes the net change in full-time employees between the 2016 Board Approved and 2021 Test Year. The net change in the number of employees includes the reduction and/or elimination of certain positions through retirements, as well as new positions that were added during the same period. In certain cases, a position may have been eliminated/reduced in one year, but subsequently added in another year. Explanations are provided for the overall change in full-time employees.

Table 25 - Changes in Number of Full-Time Employees by Year, 2021 Test Year vs. 2016 Board Approved

Department	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year	Cumulative
Operations		(0.59)	(0.07)	(1.28)	0.61	1.58	0.25	0.50
Stores/Stockroom		-	-	-	-	-	-	-
Trucking		-	-	-	-	-	-	-
Customer Care and Billing		0.40	(2.65)	(0.96)	0.17	0.04	-	(3.00)
Information Technology		0.14	(0.31)	(0.27)	0.25	0.19	1.00	1.00
Finance and Regulatory		0.44	0.07	(0.13)	(0.44)	0.56	0.50	1.00
Engineering		(1.97)	1.42	0.19	(0.11)	0.47	1.00	1.00
Metering		(0.29)	(0.89)	(0.04)	0.22	-	-	(1.00)
Substations		(1.00)	-	-	-	-	-	(1.00)
Locate		-	-	-	-	-	-	-
System Planning		2.00	0.92	0.08	(0.33)	(0.67)	-	2.00
Human Resources		-	-	-	0.65	0.35	-	1.00
Administration		-	0.07	(0.07)	-	-	-	-
Total		**(0.87)**	**(1.44)**	**(2.48)**	**1.02**	**2.52**	**2.75**	**1.50**

When an existing position with HHHI becomes vacant due to a retirement or employee turnover, HHHI initiates an internal review and analysis to determine whether: (i) the position should be filled based on the existing job requirements; (ii) the position should be updated and/or changed to reflect the changing environment, industry landscape, or changing business conditions; or (iii) there is an opportunity to eliminate the position. At the same time, HHHI evaluates and assesses where there may be current capacity constraints, and/or technical or competency gaps in the organization that should be considered for the hiring of a new position. Requests for any new hire must follow a process that includes the justification for the position and the consideration of alternatives. All new hires are approved by the President and CEO. As part of governance oversight, HHHI's the Board of Directors reviews the changes in full-time employees through the annual budget approval process.

HHHI's FTE count has been fairly consistent. The annual changes are mainly a result of retirement, staff moving to different department, resignation or co-op/summer students. This application includes the addition of 2.0 FTEs. The 2.0 FTEs include, 1.0 Engineering Technician and 1.0 Information Technology Analyst.

<u>Engineering Technician</u> - With the expected increase for Subdivision requirements related to Vision Georgetown, HHHI will require an addition FTE in the Engineering Department.

<u>IT Analyst</u> - This position will bring some much needed in-house knowledge and focus to the overall health and maintenance of all IT/OT networks including telecommunications, network administration, hardware/ software, backup/ recovery and cybersecurity operations. This includes:

- Day-to-day management and new implementation projects of all networks;
- Maintaining network performance by performing network monitoring and analysis, and performance tuning; troubleshooting network problems and escalating problems as needed;
- Shifting OT and telephone network responsibilities to the Information Technology Department by having in-house expertise to solve technical issues and develop secure and reliable networks thus benefitting System Planning and Billing/Customer Service departments;
- Cybersecurity security breaches and exposure to cyber-attacks has grown substantially with the implementation and increased use of automation, different communication networks, and the use of wireless networks, data flows, hand-held electronic devices. The internet of things (IoT) has created attack vectors that have not been considered in the past. As well, the growing demand for real-time data exchange between entities within the province, to support business units have resulted in increased cyber security risks to HHHI.

Without the new IT analyst position, HHHI will continue to pull existing staff off of their regularly scheduled tasks to work as a team to support existing systems and rely on external vendors to implement new technologies.

Additionally, by utilizing co-op and summer students, HHHI has the opportunity to evaluate candidates for future employment, especially in the technical field. Recent apprentices hired by HHHI were the result of successful college co-op placements.

4.4.5.3 WAGES AND BENEFITS VARIANCE ANALYSIS

Year over Year Variance Analysis – FTEs and Wages

Table 26 - Change in FTEs by Category by Category summarizes the net change in FTEs from the 2016 Board Approved to the 2021 Test Year.

Table 26 - Change in FTEs by Category

FTE Category	2016 Actual vs. 2016 Board Approved	2017 Actual vs. 2016 Actual	2018 Actual vs. 2017 Actual	2019 Actual vs. 2018 Actual	2020 Bridge Year vs. 2019 Actual	2021 Test Year vs. 2020 Bridge Year	Cumulative
Management	-	-	-	1.00	-	-	1.00
Non-Management (Union)	(0.87)	(1.44)	(2.48)	0.02	2.52	2.75	0.50
Total	**(0.87)**	**(1.44)**	**(2.48)**	**1.02**	**2.52**	**2.75**	**1.50**

Table **27 - Year over Year Variance in Salary and Benefits** summarizes the year over year variance for total salary and wages, and benefits.

Table 27 - Year over Year Variance in Salary and Benefits

	2016 Actual vs. 2016 Board Approved	2017 Actual vs. 2016 Actual	2018 Actual vs. 2017 Actual	2019 Actual vs. 2018 Actual	2020 Bridge vs. 2019 Actual	2021 Test vs. 2020 Bridge	Cumulative
Total Salary and Wages including overtime and performance pay							
Management (including executive)	$168,739	$48,787	$34,067	$184,487	($21,995)	$46,540	$460,625
Non-Management (union and non-union)	($280,746)	$7,804	($20,889)	($25,127)	$151,918	$301,495	$134,456
Total	**($112,007)**	**$56,591**	**$13,179**	**$159,360**	**$129,923**	**$348,035**	**$595,081**
Total Benefits (Current + Accrued)							
Management (including executive)	$51,053	$24,044	$19,021	$20,068	($57,495)	$52,748	$109,438

Non-Management (union and non-union)	($111,872)	$36,642	($14,844)	($2,855)	$127,908	$99,450	$134,428
Total	**($60,819)**	**$60,686**	**$4,176**	**$17,213**	**$70,413**	**$152,198**	**$243,867**
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	$219,791	$72,831	$53,088	$204,555	($79,490)	$99,288	$570,063
Non-Management (union and non-union)	($392,617)	$44,445	($35,733)	($27,982)	$279,826	$400,945	$268,884
Total	**($172,826)**	**$117,277**	**$17,355**	**$176,573**	**$200,336**	**$500,233**	**$838,947**

2016 Actual vs. 2016 Board Approved – Decrease $172,826

2016 Actual is lower than 2016 Board Approved. HHHI managed its OM&A on an envelope approach and reduced or increased spending as needed in order to achieve the approved envelop target.

2017 Actual vs. 2016 Actuals – Increase $117,277

The increase in salaries and wages of $56,591 is a combination of:

(i) Merit increase and salary progression for management staff,
(ii) Wage increase and progression for union staff based on Collective Agreement.
(iii) Reduction in wages for the equivalent of 1.44 FTE, as a result of retirements and temporary vacancies.

The increase in benefit costs of $60,686 is mainly attributed to increase in Health, Dental, OMERs, CPP, EI, WSIB and EHT, offset by the reduction in benefit costs for the equivalent of 1.44 FTE.

2018 Actual vs. 2017 Actuals – Increase $17,355

The increase in salaries and wages of $13,179 is a combination of:

(i) Merit increase and salary progression for management staff,
(ii) Wage increases and progression for union staff based on the Collective Agreement.
(iii) Reduction in wages for the equivalent of 2.48 FTE's, as a result of retirements and temporary vacancies.

The increase in benefit costs of $4,176 is mainly attributed to increase in Health, Dental, OMERs, CPP, EI, WSIB and EHT, offset by the reduction in benefit costs for the equivalent of 2.48 FTE's.

2019 Actual vs. 2018 Actual – Increase $176,573

The increase in salaries and wages of $159,360 is a combination of:

(i) Merit increase and salary progression for management staff,
(ii) Wage increases and progression for union staff based on Collective Agreement.
(iii) Increase in wages for equivalent of 1.02 FTE's.

The increase in benefit costs of $17,213 is mainly attributed to increase in Health, Dental, OMERs, CPP, EI, WSIB and EHT. Plus benefit costs for the equivalent increase in FTE's of 1.02.

2020 Bridge vs. 2019 Actual – Increase $200, 336

The increase in salaries and wages of $129,923 is a combination of:

(i) Merit increase and salary progression for management staff,
(ii) Wage increases and progression for union staff based on collective bargaining,
(iii) Increase in wages for the equivalent of 2.52 FTE's.

The increase in benefit costs of $70,413 is mainly attributed to increase in Health, Dental, OMERs, CPP, EI, WSIB and EHT in addition to the benefit costs for the 1.0 new FTE. Unionized staff are not eligible for benefits until a six (6) month probation period is completed.

2021 Test vs. 2020 Bridge – Increase $500,233

The increase in salaries and wages of $348,035 is a combination of:

(i) Merit increase and salary progression for management staff,
(ii) Wage increases and progression for union staff based on collective bargaining,
(iii) Increase in wages for the equivalent of 2.75 FTE's, which includes 1.0 IT Analyst, 1.0 Engineering Technician and 0.75 Journeyman (prorated in the year).

4.4.5.4 OMERS PENSION PLAN

HHHI employees are members of the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that most LDC's participate in, therefore the pension benefit provided to HHHI's employees is consistent with that of other LDC's. The plan is a contributory defined benefit pension plan which is financed by equal contributions from the employer and employee based on the employee's contributory earnings. HHHI's pension premium information for 2016 - 2019 Actual, 2020 Bridge Year and 2021 Test Year is detailed in Table 28 - OMERS below. For the 2020 Bridge and 2021 Test Year, HHHI assumed OMERS rates of 9% on earnings up to CPP earning limits and 14.6% on earnings over CPP earnings limit as per OMER's newsletter "The 2020 YMPE, preparing for 119-season and more!" dated November 14, 2019.

Table 28 - OMERS

OMERs Pension	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year
Total OMERs Costs	$ 407,559	$ 426,029	$ 424,842	$ 449,150	$ 491,259	$ 550,172

4.4.5.5 EMPLOYEE POST-RETIREMENT BENEFITS[12] [13][14]

Employee Post-Retirement Benefits include annual expenses for post retirement benefits provided to eligible HHHI employees in accordance with company policy and as provided in the collective bargaining agreement between HHHI and its union. The annual expense, realization of any gain/(loss) and liability are determined in accordance with IFRS Standards-Employee Benefits IAS 19 and supported by an actuarial valuation, completed every three years. The current actuarial valuation is for the period ended December 31, 2019 (Appendix 4-4).

The cost of post-employment benefits are actuarially determined using the projected benefit method prorated on service and based on assumptions that reflect management's best estimates. Under this method, the projected post-retirement benefit is deemed to be earned on a pro rata basis over the years of service in the attribution period commencing at date of hire and ending at the earliest age the employee could retire and qualify for benefits. The current service cost for the period is equal to the employees' services rendered in the period. Past service costs from the plan amendments are amortized on a straight line basis over the average remaining service period of the employee's active at the date of amendment. For historical years, the excess of the net actuarial gains (losses) over 10% of the accrued benefit obligation was amortized into expense on a straight line basis over the average remaining service period of active employees to full eligibility. RSM Canada Consulting LP completed an Actuarial Valuation Report on July 09, 2020 that detailed the benefit expense for fiscal 2019 and plan obligation under IAS 19. At

[12] MFR - Completed Appendix 2-KA - accounting method for pension and OPEBs
[13] MFR - Most recent actuarial report on employee benefits, pension and OPEBs
[14] Accounting method for pension and OPEBs; if cash method, sufficient supporting rationale. If proposing to change the basis in which pension and OPEB costs included in OM&A, quantification of impact of transition

December 31, 2019 the unamortized actuarial loss included as part of the overall liability was $131,653. This actuarial loss will be recognized in the 2020 Bridge Year. A copy of the actuarial valuation report is provided in Appendix 4-4.

HHHI engaged RSM Canada Consulting LP to estimate the benefit expense and plan obligation on the basis of IFRS IAS 19 as on December 31, 2019 and to extrapolate the results for the 2020 Bridge Year and 2021 Test Year. The same employee data, methodology and assumptions that were used in the December 31, 2019 actuarial valuation report under IAS 19 were used for this extrapolation RSM Canada Consulting LP stated in their correspondence that the calculations conform to the standards set out in the amendments to International Accounting Standard 19 (Employee Benefits), but note that significant changes to the benefit costs or demographics in 2020 or 2021 would require a full actuarial review. HHHI does not anticipate significant changes therefore the December 31, 2019 information will be used in the 2021 Test Year.

Under IAS 19, HHHI recognizes that under IFRS, all re-measurements, which would include actuarial gains and losses, would go through Other Comprehensive Income. For rate setting purposes HHHI has continued to include the future re-measurements in OM&A as shown in Table 28 - OMERS and Table 29 - OPEB below. At December 2019, the Net Benefit Liability was $940,115. In the 2020 Bridge Year HHHI will recognize an actuarial loss through Other Comprehensive Income. Table 29 - OPEB below demonstrates the change in the Net Benefit Liability account upon transition.

Table 29 - OPEB

OPEBs	**2016 - IFRS IAS 19**	**2017 - IFRS IAS 19**	**2018 - IFRS IAS 19**	**2019 - IFRS IAS 19**	**2020 - IFRS IAS 19**	**2021 - IFRS IAS 19**		**TOTAL**
Note 11 - Employee future benefits								
Accrued benefit obligation, beginning of period	$728,686	$763,169	$902,827	$922,998	$940,115	$1,078,958		$391,745
IFRS 1 - IAS 19 - Retained Earnings	$0	$0	$0	$0	$0	$0		($149,953)
Estimated expense for the year	$20,455	$21,283	$27,910	$26,851	$35,623	$32,098		$288,455
Interest expense	$29,204	$30,421	$30,054	$30,695	$33,236	$33,616		$328,873
Benefits paid during the year	($15,176)	($24,051)	($37,793)	($40,429)	($61,577)	($56,933)		($300,037)
Actuarial loss - recognized in Other Comprehensive Income	$0	$112,005	$0	$0	$131,561	$0		$528,656
Accrued benefit obligation, end of period	$763,169	$902,827	$922,998	$940,115	$1,078,958	$1,087,739		$1,087,739
Unamortized actuarial (loss) gain	$0	$0	$0	$0	$0	$0		$0
Accrued benefit liability	$763,169	$902,827	$922,998	$940,115	$1,078,958	$1,087,739		$1,087,739

HHHI's post-retirement benefit information for 2016 Actual, 2017 Actual, 2018 Actual, 2019 Actual, 2020 Bridge Year and 2021 Test Year is detailed in Table 30 - Post-Retirement Benefits Expense below.

Table 30 - Post-Retirement Benefits Expense

December 31, 2021		**IAS 19**	**IAS 19**	**IAS 19**	**IAS 19**	**IAS 19**	**IAS 19**
		Dec-31	**Dec-31**	**Dec-31**	**Dec-31**	**Dec-31**	**Dec-31**
	GL #	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Employee future benefits	100-2000-2101-231200	$1,087,739	$1,078,958	$940,115	$922,998	$902,827	$763,169
		$1,087,739	$1,078,958	$940,115	$922,998	$902,827	$763,169
		$2,021	$2,020	$2,019	$2,018	$2,017	$2,016
Accrued benefit obligation at January 1		$1,078,958	$940,115	$922,998	$902,827	$763,169	$728,686
IFRS 1 - IAS 19 - Retained Earnings		$0	$0	$0	$0	$0	$0
Expense for the year		$32,098	$35,623	$26,851	$27,910	$21,283	$20,455
Interest for the year		$33,616	$33,236	$30,695	$30,054	$30,421	$29,204
Benefits paid during the year		($56,933)	($61,577)	($40,429)	($37,793)	($24,051)	($15,176)
Actuarial loss (gain) - recognized in Other Comprehensive Income		$0	$131,561	$0	$0	$112,005	$0
Accrued benefit obligation		$1,087,739	$1,078,958	$940,115	$922,998	$902,827	$763,169
Unamortized actuarial (loss) gain		$0	$0	$0	$0	$0	$0
Net Liability (Asset) as at December 31		$1,087,739	$1,078,958	$940,115	$922,998	$902,827	$763,169
Net Actuarial loss (gain) arising from changes in Financial Assumptions		$0	($4,152)	$0	$0	$97,813	
Net Actuarial loss (gain) arising from changes in Demographic Assumptions		$0	$7,783	$0	$0	($1,942)	
Net Actuarial loss (gain) arising from Experience Adjustments		$0	$127,930	$0	$0	$16,134	
Actuarial loss (gain) - recognized in Other Comprehensive Income		$0	$131,561	$0	$0	$112,005	$0
Expense recognized		$65,714	$68,859	$57,546	$57,964	$51,704	$49,659
Benefits Paid		($56,933)	($61,577)	($40,429)	($37,793)	($24,051)	($15,176)
		$8,781	$7,282	$17,117	$20,171	$27,653	$34,483

4.4.5.6 EMPLOYEE BENCHMARKING

Table 31 - Benchmarking below compares HHHI to similar neighbouring GTA LDC's using the 2018 OEB Yearbook, the last year available at the time of writing this application. It also compares HHHI to its 2016 Board Approved and 2021 Test Year levels. HHHI annually participates in and reviews industry survey results.

Table 31 - Benchmarking

	Halton Hills Hydro Inc.			**Milton Hydro Distribution Inc.**	**Oakville Hydro Electricity Distribution Inc.**	**Burlington Hydro Inc.**	**Guelph Hydro Electric Systems Inc.**
	2016 Board Approved	2021 Test Year		2018 Actual	2018 Actual	2018 Actual	2018 Actual
Number of Customers'	22,112	22,956		39,579	72,108	67,940	55,673
Total Service Area - Urban (sq km)	26	26		56	108	98	93
Total Service Area - Rural (sq km)	255	255		308	31	90	0
Total Service Area (sq km)	281	281		364	139	188	93
Number of FTE's	54	55.5		53	104	92	120
Customer/FTE	409.48	413.62		746.77	693.35	738.48	463.94
Service Area/FTE (urban)	0.48	0.47		1.06	1.04	1.07	0.78
Service Area/FTE (rural)	0.62	0.62		0.41	0.04	0.12	0.00

4.4.5.7 ALLOCATION OF BENEFITS TO OM&A AND CAPITAL

Please refer to Exhibit 2 for a description of HHHI's capitalization of overhead policy, including the allocation of the payroll burden, which includes benefits. OEB Appendix 2-D in Exhibit 2 provides the amount of direct labour, including benefits, that is allocated to capital. [15]

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

HHHI’s Capitalization Policy and Overhead Policy have not changed from those approved in HHHI’s 2016 Cost of Service Rate Application EB-2015-0074. There are no adjustments for capitalization policy required for this application.

4.5 SHARED SERVICES & CORPORATE COST ALLOCATION

HHHI currently has shared service agreements with; [16] [17] [18]

(i) SouthWestern Energy Inc. (SWE), an affiliate company; and

(ii) 2008949 Ontario Ltd. operating as Quality Tree Service (QTS), an affiliate company; and

(iii) Halton Hills Community Energy Corporation (HHCEC), the parent company.

These relationships are for either the purchase or provision of products and services, and are in place with the intent to benefit from cost savings due to increased efficiencies and economies of scale. A summary of the transactions and pricing methodology used to assign costs for 2016 Actual, 2017 Actual, 2018 Actual, 2019 Actual and projections for the 2020 Bridge Year and 2021 Test Year, are included below in Table 32 - Shared Services and Corporate Allocation - 2016 Actual to Table 37 - Shared Services and Corporate Allocation - 2021 Test Year (OEB Appendix 2-N).

Table 32 - Shared Services and Corporate Allocation - 2016 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Water and Sewer Billings	Cost		$218,818
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Accounting, HR and Administrative Services	Cost		$78,300
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	IT Services	Cost		$34,578
Halton Hills Community Energy Corporation	Halton Hills Hydro Inc.	Management Services	Cost		$302,220
SouthWestern Energy Inc.	Halton Hills Hydro Inc.	Electrical Contracting Services and Smart Meter Repairs	Cost plus mark up		$945,290
2008949 Ontario Ltd	Halton Hills Hydro Inc.	Arborist and Tree Trimming Services	Cost plus mark up		$79,200

[16] MFR - Completed Appendix 2-N for service provided or received for historical, bridge and test; including reconciliation with revenue included in Other Revenue
[17] MFR - Shared Service and Corporate Cost Variance analysis - test year vs last OEB approved and most recent actual
[18] MFR - Identification of any Board of Director costs for affiliates included in LDC costs

1 **Table 33 - Shared Services and Corporate Allocation - 2017 Actual**

Name of Company *From*	To	Service Offered	Pricing Methodology	Price for the Service $	Cost for the Service $
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Water and Sewer Billings	Cost		$224,698
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Accounting, HR and Administrative Services	Cost		$91,725
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	IT Services	Cost		$10,471
Halton Hills Hydro Inc.	2008949 Ontario Ltd	Accounting, IT, HR and Administrative Services	Cost		$12,023
Halton Hills Hydro Inc.	Halton Hills Community Energy Corporation	Accounting, IT, HR and Administrative Services	Cost		$6,012
Halton Hills Community Energy Corporation	Halton Hills Hydro Inc.	Management Services	Cost		$306,755
SouthWestern Energy Inc.	Halton Hills Hydro Inc.	Civil and Electrical Contracting Services	Cost plus mark up		$1,696,802
2008949 Ontario Ltd	Halton Hills Hydro Inc.	Arborist and Tree Trimming Services	Cost plus mark up		$39,546

2

Table 34 - Shared Services and Corporate Allocation - 2018 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Water and Sewer Billings	Cost		$235,059
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Accounting, HR and Administrative Services	Cost		$109,184
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	IT Services	Cost		$11,352
Halton Hills Hydro Inc.	2008949 Ontario Ltd	Accounting, IT, HR and Administrative Services	Cost		$14,184
Halton Hills Hydro Inc.	Halton Hills Community Energy Corporation	Accounting, IT, HR and Administrative Services	Cost		$7,090
Halton Hills Community Energy Corporation	Halton Hills Hydro Inc.	Management Services	Cost		$259,509
SouthWestern Energy Inc.	Halton Hills Hydro Inc.	Civil and Electrical Contracting Services	Cost plus mark Up		$2,002,806
2008949 Ontario Ltd	Halton Hills Hydro Inc.	Arborist and Tree Trimming Services	Cost plus mark Up		$296,145

1

Table 35 - Shared Services and Corporate Allocation - 2019 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Water and Sewer Billings	Cost		$235,059
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Accounting, HR and Administrative Services	Cost		$109,184
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	IT Services	Cost		$11,352
Halton Hills Hydro Inc.	2008949 Ontario Ltd	Accounting, IT, HR and Administrative Services			$14,376
Halton Hills Hydro Inc.	Halton Hills Community Energy Corporation	Accounting, IT, HR and Administrative Services			$7,151
Halton Hills Community Energy Corporation	Halton Hills Hydro Inc.	Management Services	Cost		$265,601
SouthWestern Energy Inc.	Halton Hills Hydro Inc.	Civil and Electrical Contracting Services	Cost plus mark Up		$1,633,004
2008949 Ontario Ltd	Halton Hills Hydro Inc.	Arborist and Tree Trimming Services	Cost plus mark Up		$271,641

2

1 **Table 36 - Shared Services and Corporate Allocation - 2020 Bridge Year**

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	**To**			**$**	**$**
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Water and Sewer Billings	Cost		$229,799
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Accounting, HR and Administrative Services	Cost		$124,225
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	IT Services	Cost		$15,467
Halton Hills Hydro Inc.	2008949 Ontario Ltd	Accounting, IT, HR and Administrative Services			$16,435
Halton Hills Hydro Inc.	Halton Hills Community Energy Corporation	Accounting, IT, HR and Administrative Services			$8,217
Halton Hills Community Energy Corporation	Halton Hills Hydro Inc.	Management Services	Cost		$236,256
SouthWestern Energy Inc.	Halton Hills Hydro Inc.	Civil and Electrical Contracting Services	Cost plus mark Up		Bid Process
2008949 Ontario Ltd	Halton Hills Hydro Inc.	Arborist and Tree Trimming Services	Cost plus mark Up		Bid Process

2

Table 37 - Shared Services and Corporate Allocation - 2021 Test Year

Name of Company – From	Name of Company – To	Service Offered	Pricing Methodology	Price for the Service $	Cost for the Service $
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Water and Sewer Billings	Cost		$241,289
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Accounting, HR and Administrative Services	Cost		$130,436
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	IT Services	Cost		$16,240
Halton Hills Hydro Inc.	2008949 Ontario Ltd	Accounting, IT, HR and Administrative Services			$17,257
Halton Hills Hydro Inc.	Halton Hills Community Energy Corporation	Accounting, IT, HR and Administrative Services			$8,628
Halton Hills Community Energy Corporation	Halton Hills Hydro Inc.	Management Services	Cost		$248,069
SouthWestern Energy Inc.	Halton Hills Hydro Inc.	Civil and Electrical Contracting Services	Cost plus mark Up		Bid Process
2008949 Ontario Ltd	Halton Hills Hydro Inc.	Arborist and Tree Trimming Services	Cost plus mark Up		Bid Process

SERVICES PROVIDED BY HHHI TO PARENT AND AFFILIATE COMPANIES ARE: [19][20]

HHHI's Services to SWE - Affiliate

SWE sub-contracts HHHI for water and wastewater billing services, accounting, human resources, administrative and IT services. For the 2020 Bridge Year, HHHI's Budget for water and wastewater billing services is $229,799 and is comprised of:

- Payroll costs for one FTE-Billing Clerk and one FTE-Customer Care Representative;
- 50% of budgeted postage cost;

[19] MFR - Identification of all shared services among affiliates and parent company; identification of the extent to which the applicant is a "virtual utility"
[20] MFR - Allocation methodology for corporate and shared services, pricing methodology, list of costs and allocators, including any third party review

- 50% of budgeted billing supplies;
- 15% of billing software maintenance fee; and
- Occupancy Charges

HHHI charges SWE an occupancy cost based on the occupied square footage, which is reviewed periodically for changes. The occupancy cost for the 2020 Bridge Year is $5,090 per year.

The 2021 Test Year Budget for water and wastewater billing services of $241,289 was increased by 5% base on 2020 Bridge Year budget.

HHHI also provides IT, accounting, human resources, and administrative services to SWE. These include IT Support, financial reporting, accounts payable, accounts receivable, payroll, banking services, hiring and personnel services. The revenue for the 2020 Bridge Year is $139,692 and 2021 Test Year is $146,677. The recovery of costs is recorded in USofA 4375 – Revenues from Non-Utility Operations.

HHHI's Services to QTS - Affiliate

HHHI's also provides IT, accounting, human resources and administrative services to QTS. These include IT support, financial reporting, accounts payable, accounts receivable, payroll, banking services, hiring and personnel services. The revenue for the 2020 Bridge Year is $16,435 and Test Year is $17,257. The recovery of costs is recorded in USofA 4375 – Revenues from Non-Utility Operations.

HHHI's Services to HHCEC – Parent Company

HHHI also provides IT, accounting, human resources and administrative services to HHCEC. These include IT support, financial reporting, accounts payable, accounts receivable, payroll, banking services, hiring and personnel services. The revenue for the 2020 Bridge Year is $8,217 and 2021 Test Year is $8,628. The recovery of costs is recorded in USofA 4375 – Revenues from Non-Utility Operations.

Services Provide to HHHI by Parent and Affiliate Companies are:

HHCEC services to HHHI

HHCEC provides strategic and financial planning, governance, risk management, employee management and mentoring along with Board meeting preparation and attendance to the HHHI business. The cost to HHHI for 2020 Bridge Year is $236,256 and 2021 Test Year is $248,069.

SWE services to HHHI

SWE provides civil and electrical contracting services to HHHI. These services are primarily for capital projects. The costs to HHHI for the 2020 Bridge Year is based on a bidding and quotation process from SWE. However, no amounts have been included for 2021 Test Year as HHHI has not award contracting services for 2021 capital services as of the date of filing this application.

QTS services to HHHI

QTS provides tree trimming, tree and stump removal, and power line clearing services to HHHI.

The costs to HHHI for the 2020 Bridge Year and 2021 Test Year is based on a bidding and quotation process from QTS. However, no amounts have been included for 2020 Bridge Year and the year is still in progress and the 2021 Test Year as HHHI has not award contracting services for 2021 capital services as of the date of filing this application.

Table 38 - Shared Services

Name of Company										
From	**To**	**Service Offered**		**2016 Board Approved**	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Actual**	**2020 Bridge Year**	**2021 Test Year**
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Water and Sewer Billings	Cost	$218,819	$218,818	$224,698	$235,059	$235,059	$229,799	$241,289
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	Accounting, HR and Administrative Services	Cost	$78,300	$78,300	$91,725	$109,184	$109,184	$124,225	$130,436
Halton Hills Hydro Inc.	SouthWestern Energy Inc.	IT Services	Cost	$34,578	$34,578	$10,471	$11,352	$11,352	$15,467	$16,240
Halton Hills Hydro Inc.	2008949 Ontario Ltd	Accounting, IT, HR and Administrative Services	Cost	$0		$12,023	$14,184	$14,376	$16,435	$17,257
Halton Hills Hydro Inc.	Halton Hills Community Energy Corporation	Accounting, IT, HR and Administrative Services	Cost	$0		$6,012	$7,090	$7,151	$8,217	$8,628
				$331,697	**$331,696**	**$344,929**	**$376,869**	**$377,122**	**$394,143**	**$413,850**
Halton Hills Community Energy Corporation	Halton Hills Hydro Inc.	Management Services	Cost	$273,723	$302,220	$306,755	$259,509	$265,601	$236,256	$248,069
SouthWestern Energy Inc.	Halton Hills Hydro Inc.	Electrical Contracting Services and Smart Meter Repairs	Cost plus mark up	$177,000	$945,290	$1,696,802	$2,002,806	$1,633,004	Bid Process	Bid Process
2008949 Ontario Ltd	Halton Hills Hydro Inc.	Arborist and Tree Trimming Services	Cost plus mark up	$0	$79,200	$39,546	$296,145	$271,641	Bid Process	Bid Process
				$450,723	**$1,326,710**	**$2,043,103**	**$2,558,460**	**$2,170,246**	**$236,256**	**$248,069**

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

4.6.1 NON-AFFILIATE SERVICES

HHHI's Purchasing Policy establishes the principles, requirements, accountabilities and guidelines for the purchase of goods and services. The Purchasing Policy establishes amounts, requirements and approvals necessary to maintain full and open competition between suppliers, vendors and contractors through the use of competitive bids, quotations and awards.

This policy ensures that all procurement activities within HHHI maintain high legal, ethical, managerial, and professional standards. HHHI's purchasing policy identifies certain situations where a competitive bid process may not be followed. HHHI confirms that it is in compliance with the Purchasing Policy. [21]

GridSmartCity Cooperative ("GSC") which consists of 14 LDCs, is a Cooperative created to improve service to electricity customers by increasing the efficiencies of scale within the partnership and to assist in reducing the members' operating, maintenance and administration costs.

HHHI participates in joint purchasing as a member of GSC. HHHI benefits from material standardization and joint purchasing initiatives that reduce the cost per unit and can lead to more easily shareable materials with other utilities during storm events.

Human Resources at HHHI is currently working with GSC. The Human Resources GSC committee is focused on identifying synergies for employee engagement, labour relations, Employment Standards Act changes, Disability Management and assessing benefits and taking benefit plans to market to ensure members' costs remain competitive.

To date, several initiatives have been introduced. A new software program (HR Downloads) was purchased collaboratively with a 15% net savings to all. Secondly, a sub-committee from the HR

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

GSC has been working together with Mohawk College Enterprise ("MCE") to develop a training platform for new emerging leaders as the LDC positions are all very similar in nature and have the same needs. The program can be tailored to meet LDC's expectations and again, with a savings to all members of GSC. Lastly, the HR GSC group negotiated a group training session on workplace harassment investigation at a discount. This will now allow LDCs to assist each other in the event that a utility is unable to do a timely workplace harassment investigation either because of other commitments or because the nature of the incident will not allow for an impartial investigation to be done internally. Collective training will now make it possible for a member from another GSC LDC to assist with the investigation at no cost to the LDC as this effort could be reciprocated in the future. Therefore, efficiencies are attained with no additional cost.

The GSC group also helps bridge the need for innovation and infrastructure renewal with the benefits of collaboration and cost efficiency. GSC provides an economy of scale that otherwise might not be achieved. Combined, the GSC customer base is close to 737,500 customers – equivalent to the 4th largest LDC in Ontario. Since 2016, HHHI has participated in various joint RFP's, RFQ's, information sharing and networking sessions towards obtaining the best total costs for the company. Benefits of working as a purchasing team under the GSC banner includes:

- Leverage best practices;
- Shared resources and networking leads to increased efficiencies;
- Support each other when short on supplies or sourcing new or hard to find products or services;
- Provide a high level of transparency towards market pricing, material availability.

For 2020 and 2021, HHHI anticipates that many of the same vendors will be used as in prior years although HHHI and GSC will continually search for new suppliers and materials to stay as cost efficient as possible to ultimately benefit HHHI customers.[22] ll procurement is in compliance with the procurement policy (no exceptions).[23]

Table 39 - Purchases by Vendor (2016 to 2019) Exceeding Materiality below illustrates HHHI's purchases by vendor for 2016 to 2019 which exceed the $80,000 materiality threshold. The table also identifies the method of selecting the vendor.

Table 39 - Purchases by Vendor (2016 to 2019) Exceeding Materiality

Vendor	Product/Service	Method	2016	2017	2018	2019
WAYNE PITMAN FORD LINCOLN LTD	Automotive vehicle purchase	Quotes	$81,838	$0	$0	$98,276
ALADACO CONSULTING	CDM Consulting	Quotes	$131,026	$163,668	$169,271	$128,413
Mitsubishi Electric Power Products Inc.	Circuit Breaker Manufacturer	Quotes	$0	$0	$552,785	$0
OAKVILLE HYDRO ELECTRICTY DIST	Control Room operation	Partnership	$255,592	$146,939	$158,777	$231,670
UTILISMART CORPORATION	Data recovery services	Quotes	$108,629	$109,226	$114,217	$150,660
OLAMETER INC	Data solutions - Electric/Water	Partnership	$149,409	$138,812	$161,378	$139,936
BLACK & MCDONALD LTD.	Electrical Construction	Quotes	$0	$84,953	$0	$297,708
DREXLER CONSTRUCTION LTD	Electrical Construction	Quotes	$933,054	$0	$0	$0
Eptcon Ltd.	Electrical Construction	Tender	$0	$1,693,977	$9,076,123	$3,885,463
K-LINE MAINTENANCE & CONST LTD	Electrical Construction	Quotes	$0	$412,357	$0	$0
PHOENIX BROADCAST & WIRELESS INC.	Electrical Construction	Quotes	$0	$0	$0	$252,696
SOUTHWESTERN ENERGY INC	Electrical Construction	Partnership	$1,082,714	$1,633,084	$2,469,481	$1,874,868
TRENCH LIMITED	Electrical Construction	Quotes	$0	$0	$382,449	$0
WESTMORE POLELINE & ELECTRIC I	Electrical Construction	Quotes	$1,050,799	$1,275,588	$1,094,134	$382,991
NBM ENGINEERING INC	Electrical Engineering firm	Quotes	$240,198	$324,965	$185,801	$0
ANIXTER CANADA INC	Electrical products	Quotes	$159,569	$90,766	$0	$0
ANIXTER POWER SOLUTIONS CANADA INC	Electrical products	Quotes	$417,915	$731,994	$724,596	$288,279
BEL VOLT SALES LTD	Electrical products	Quotes	$182,113	$88,093	$110,101	$89,312
S & C ELECTRIC CANADA LTD	Electrical products	Quotes	$260,606	$0	$287,387	$0
SIEMENS CANADA LTD	Electrical products	Quotes	$0	$0	$0	$106,312
SIEMENS ENERGY SRV CANADA	Electrical products	Quotes	$0	$0	$1,369,390	$152,154

[22] MFR - 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] MFR - 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

WESCO UTILITY	Electrical products	Quotes	$302,321	$303,842	$348,119	$175,462
ONTARIO ENERGY BOARD	Electrical regulator	Sole Source	$107,333	$102,505	$95,319	$95,610
HALTON HILLS HYDRO	Electricity	Sole Source	$109,749	$118,373	$120,286	$87,314
HYDRO ONE NETWORKS INC	Electricity/LTLT	Sole Source	$7,979,740	$7,431,031	$7,570,874	$7,267,859
COSTELLO UTILITY CONSULTANTS	Engineering Consultants	Quotes	$103,463	$156,395	$0	$0
IBI GROUP	Engineering Consultants	Quotes	$947,667	$92,055	$124,678	$117,957
NEXANS CANADA INC.	Fibre optic cable manufacture	Quotes	$0	$0	$364,429	$0
NORAMCO	Fibre optic cable manufacture	Quotes	$0	$90,590	$0	$167,781
KPMG LLP	Financial audit services	Tender	$90,344	$0	$108,028	$0
POSI-PLUS ONTARIO INC	Fleet Supplies	Quotes	$0	$0	$0	$250,961
TIMBERLAND EQUPMENT LTD	Fleet Supplies	Quotes	$0	$0	$154,614	$0
WAJAX EQUIPMENT	Fleet Supplies	Quotes	$163,448	$363,439	$0	$0
SUNCOR ENERGY PRODUCTS PARTNER	Gasoline	Sole Source	$83,100	$86,813	$107,365	$91,587
NAYLOR BUILDING PARTNERSHIPS INC	HVAC Building Maintenance	Quotes	$0	$0	$0	$101,624
SUPER SUCKER HYDRO VAC SERVICE	Hydrovac Services	Sole Source	$250,931	$283,443	$307,751	$267,591
MEARIE MANAGEMENT INC	Insurance	Sole Source	$554,570	$640,430	$654,166	$670,964
ESENTIRE INC.	IT Service provider	Quotes	$0	$0	$0	$98,992
MID-RANGE COMPUTER GROUP INC	IT service/support provider	Quotes	$151,480	$117,750	$127,516	$235,488
SUPERION, LLC.	IT service/support provider	Quotes	$107,987	$86,269	$89,292	$85,724
TRANSCANADA ENERGY LTD.	Labour expense - MTS	Sole Source	$0	$151,517	$162,207	$213,398
DOLLIVER SURVEYING INC	Land Surveying	Quotes	$196,585	$0	$87,615	$0

Table 39 - Purchases by Vendor (2016 to 2019) Exceeding Materiality (cont'd)

ELECTRICITY DISTRIBUTORS ASSOC	LDC governing body	Sole Source	$0	$112,548	$0	$0
OSLER, HOSKIN & HARCOURT LLP	Legal Services	Quotes	$117,847	$0	$94,364	$126,687
HYDRO ONE BRAMPTON	Long Term Load Transfers	Sole Source	$85,601	$84,095	$0	$0
RODAN ENERGY SOLUTIONS INC	Metering Services	Quotes	$0	$83,216	$0	$182,769
CANADA POST CORP	Postal service/courier	Sole Source	$168,802	$210,834	$213,569	$194,285
VIRELEC LTD.	Scada communication	Quotes	$0	$0	$885,057	$91,689
AMSI INC.	Switchgears	Quotes	$684,021	$0	$0	$0
SOUTHERN STATES LLC.	Switchgears	Quotes	$0	$119,060	$103,423	$0
MINISTER OF FINANCE	Tax/PILS	Sole Source	$0	$0	$0	$105,752
CAM TRAN	Transformer Manufacturer	Quotes	$0	$0	$0	$161,587
CANADIAN ELECTRICAL SERVICES	Transformer Manufacturer	Quotes	$409,259	$326,998	$370,185	$92,921
G&W CANADA INC	Transformer Manufacturer	Quotes	$0	$99,073	$0	$0
NORTHERN TRANSFORMER	Transformer Manufacturer	Quotes	$0	$0	$220,667	$220,667
PTI MANITOBA INC.	Transformer Manufacturer	Quotes	$0	$370,871	$3,394,696	$0
ASPLUNDH CANADA ULC	Tree Trimming	Tender	$364,502	$213,480	$0	$0
QUALITY TREE SERVICE	Tree Trimming	Partnership	$130,515	$0	$0	$233,751
ELSTER CANADIAN	Utility Meters	Quotes	$100,296	$238,307	$179,075	$0
LES DISTRIBUTEURS GFTEC INC	Utility Meters	Quotes	$0	$0	$119,136	$0
STELLA-JONES INC	Utility Poles	Sole Source	$221,053	$240,580	$215,491	$399,040
Total			**$18,484,077**	**$19,017,934**	**$33,073,810**	**$19,816,199**

4.6.2 ONE TIME COSTS

The one-time costs relate to the 2016 Cost of Service application (EB-2015-0074), 2017 to 2020 IRM applications, incremental costs associated with the preparation of the 2021 Cost of Service ("COS") Rate Application.

HHHI estimates that the total incremental costs associated with the COS application will be $280,000. Details are provided under Regulatory Expenses in Section 4.7.2 and are as summarized in Table 40 - OEB Appendix 2-M Regulatory Costs. One fifth of the cost or $56,000 has been included in the 2021 Test Year. This represents an increase of approximately $4,000 over the 2016 Board Approved Proxy amount included in the 2016 Revenue Requirement computation. In the 2016 Cost of Service, HHHI forecast 2016 application costs to be $270,422. Actual 2016 Cost of Service costs were $271,602. HHHI would like to note that as a part of Settlement, OM&A costs were settled on an envelope basis and HHHI has managed its Actual OM&A expenses on the envelope approach basis in order to maintain the approved level of OM&A. [24]

4.6.3 REGULATORY COSTS

4.6.3.1 STAFFING

HHHI's Regulatory Affairs Manager ("RAO") is primarily responsible for all industry submissions (monthly, quarterly and annual), preparing regulatory filings and rate applications (including rates implementation), ensuring regulatory and legislative compliance and providing input to the various regulatory agencies. Additionally, the RAO performs regulatory and financial analysis related to distribution revenue and deferral and variance balances. Due to the complexity and workload involved in completing the above tasks, other members of the Leadership Team are

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

required on an on-going basis to ensure regulatory and legislative compliance and also to provide assistance in preparing rate applications.

The staffing costs for the Regulatory department are included in Administrative and General Costs.

4.6.3.2 OEB ASSESSMENTS

Energy's other regulatory expenses include annual assessment fees paid to the OEB, cost awards for hearings, proceedings and other matters before the regulatory body and costs associated with consultants providing regulatory compliance assistance.

As previously documented in Section 4.2.4, the OEB Assessment fees for HHHI have increased significantly from the 2015/2016 Board Approved amounts. As instructed in the OEB letter dated February 9, 2016, the increase in OEB Assessment Fees has been recorded in a deferral account. In 2021, the increased OEB Assessment Fees are included in OM&A.

4.6.3.3 REGULATORY APPLICATIONS[25]

Regulatory expenses continue to increase with the demand for reporting, ensuring compliance in a complex environment and the completion of annual incentive rate mechanism filings and cost of service applications. The filing requirements for the 2021 cost of service application are more extensive than those experienced in 2016. [26]

HHHI will incur significant costs for preparing, processing and approval of this Application. The costs include consulting and legal fees, incremental expenses related to staff resources, and other

[25] MFR - Information supporting the incremental level of the costs associated with the preparation and review of the current application. In addition, the applicant must identify over what period the costs are proposed to be recovered. For distributors, the recovery period would normally be the duration of the expected cost of service plus IRM term under the Price Cap IR option (i.e. five years). If the applicant is proposing a different recovery period, it must explain why it believes this is appropriate.

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

cost awards as identified in Table 40 - OEB Appendix 2-M Regulatory Costs. The total cost for this application is forecasted to be $280,000, a minor increase over the 2016 application amount of $271,602. OEB and Intervenor expenses have been forecasted at $60,371 based on the amount paid to OEB and intervenors in the 2016 application. HHHI would like to note that recent LDC applications have shown a significant increase in costs over the previous years. In 2019, HHHI launched an innovative, cost effective customer engagement platform. The customer engagement website, HaveYourSay.HaltonHillsHydro.com, provided customers an opportunity to learn about HHHI's distribution system planning process, contribute to idea forums and participate in surveys in support of this application. The goals of the HaveYourSay customer engagement platform were as follows:

- Inform customers on the distribution system planning process
- Engage customers in the conversation about electricity cost and reliability
- Collaborate with customers through surveys, polls and idea forums to gain an understanding of customer's needs and preferences
- Reach as wide a customer audience as possible
- Achieve statistically relevant survey responses
- Keep customers informed throughout the entire planning process

This new method of customer engagement was very successful and created an interactive platform for HHHI to communicate with its customers on an on-going basis, beyond the Cost of Service application. In addition to the on-going communication, the method proved to be more economical to customers when compared to recent customer engagement methods.

HHHI requests approval of these costs to be recovered over a five (5) year period.

As part of the preparation of the Application, HHHI has incurred incremental costs associated with the preparation of the DSP and additional regulatory and legal support associated with the Application, including load forecasting and LRAM.

Table 40 - OEB Appendix 2-M Regulatory Costs[27]

(shown at next page)

[27] MFR - Completed Appendix 2-M

	Regulatory Cost Category	**USoA Account**	**USoA Account Balance**	**Last Rebasing Year (2016 OEB Approved)**	**ACTUAL 2016**	**ACTUAL 2019**	**BRIDGE YEAR 2020**	**TEST YEAR 2021**	**Annual % Change**
	(A)	(B)	(C)	(D)	(E)				(H)=[(G)-(F)]/(F)
	Regulatory Costs (Ongoing)								
1	OEB Annual Assessment	5655		58,686	62,452	55,559	41,694	110,400	164.79%
2	OEB Section 30 Costs (OEB-initiated)	5655		4,667	4,000	2,769	2,000	5,000	150.00%
3	Expert Witness costs for regulatory matters	5655		2,795					
4	Legal costs for regulatory matters	5655		5,047					
5	Consultants' costs for regulatory matters	5655		5,129					
6	Operating expenses associated with staff resources allocated to regulatory matters	5655		3,270					
7	Operating expenses associated with other resources allocated to regulatory matters [1]	5655		7,351					
8	Other regulatory agency fees or assessments	5655		800	800	800	800	800	0.00%
9	Any other costs for regulatory matters (please define)	5655							
10	Intervenor costs	5655		20,203					
11	Application Prepaid expenses - pre 2016 COS	5655							
12	Application Prepaid expenses - 2016 COS + later								
13	Movement of OEB Assessment	5655							
14	Application of Prepaid expenses - 2021 COS								
	Regulatory Costs (One-Time)		**2016 CoS EB-2015-0074**						
1	Expert Witness costs	5655		20,966			-	923	
2	Legal costs	5655	**140,704**	61,498	32,007	45,373	28,141	28,141	0.00%
3	Consultants' costs	5655	**20,584**	30,352	4,117	4,117	4,117	4,818	17.03%
4	Incremental operating expenses associated with staff resources allocated to this application.	5655	**4,000**	193	800	800	800	800	0.00%
5	Incremental operating expenses associated with other resources allocated to this application. [1]	5655	**3,850**	54,507	770	770	770	770	0.00%
6	Intervenor costs	5655	**49,083**	102,905	14,416	9,817	9,817	9,817	0.00%
7	OEB Section 30 Costs (application-related)	5655	**11,288**		2,258	2,258	2,258	2,258	0.00%
8	Customer Engagement	5655	**42,093**		8,419	8,419	8,419	8,474	0.65%
9									
1	Sub-total - Ongoing Costs		**-**	107,948	67,252	59,128	44,494	116,200	161.16%
2	Sub-total - One-time Costs		**271,602**	270,421	62,786	71,553	54,320	56,000	3.09%
3	Total		**271,602**	378,369	130,038	130,681	98,814		(100.00%)

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4.7 LEAP, CHARITABLE & POLITICAL DONATIONS[28][29][30]

4.7.1 LOW-INCOME EMERGENCY ASSISTANCE PROGRAM ("LEAP")

HHHI continues to participate in the Low Income Emergency Assistance Program (LEAP). As set out in the March 10, 2009 Report of the Board: Low Income Energy Assistance Program, the OEB has determined that the greater of 0.12% of a distributor's OEB approved distribution revenue requirement or $2,000 is a reasonable commitment of all distributors to emergency financial assistance. The LEAP amount must be calculated based on total distribution revenues and is to be recovered from all rate classes based on the respective distribution revenue of each of those classes. HHHI has partnered with the Regional Municipality of Halton – Links2Care, to assist in the LEAP program and is intended to provide emergency relief to eligible low income customers who may be experiencing difficulty paying current arrear amounts to HHHI. HHHI has budgeted an amount of $18,890 based on the 2021 Test Year proposed distribution revenue requirement. The LEAP amount will be adjusted to account for changes resulting from the OEB's Decision on HHHI's 2021 Test Year distribution revenue requirement. For purposes of this Application, the LEAP amount has been included in USoA 6205 - Donations to ensure that it is captured appropriately in the Revenue Requirement.

4.7.2 CHARITABLE AND POLITICAL DONATIONS

HHHI confirms that it has not included the recovery of charitable donations for the purpose of setting rates, with the exception of the LEAP program. HHHI does not make political donations and therefore confirms that no political donations are included for recovery.

[28] MFR - LEAP - the greater of 0.12% of forecasted service revenue requirement or $2,000 should be included in OM&A and recovered from all rate classes
[29] MFR - Detailed information for all contributions that are claimed for recovery
[30] MFR - Charitable Donations - the applicant must confirm that no political contributions have been included for recovery

4.8 DEPRECIATION, AMORTIZATION, AND DEPLETION

4.8.1 OVERVIEW[31]

Depreciation is recognized on a straight-line basis over the estimated useful life of each significant and identifiable component of an item of property, plant, and equipment. Land and land rights are not depreciated. Assets under construction (work in progress) are not depreciated until the project is complete and in service.

Depreciation of an asset begins in the year when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended. For rate setting purposes, in the first year of service, depreciation is calculated using the ½ year rule. Depreciation of an asset ceases when the asset is retired from active use, sold or is fully depreciated.

The useful life of the assets HHHI uses for depreciation purposes was derived from the HHHI Specific Kinectrics Report (K-418022-RA-001-R002, November 23, 2009) as filed in the 2012 Cost of Service. The componentization of HHH assets for IFRS along with the useful lives was approved by the Board in HHHI 2012 Cost of Service (EB-2011-0271) and was reproduce in HHHI 2016 Cost of Service Rate Application (EB-2015-0074) and is shown in Appendix 4-1.

HHHI's Capitalization Policy is fully described in Exhibit 2.

Table 41 - Summary of Depreciation and Amortization Expense below shows the Summary of Depreciation and Amortization Expense from 2016 Board Approved to 2021 Test Year.

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

Table 41 - Summary of Depreciation and Amortization Expense

OEB Account [3]	Description [3]	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge	2021 Test
1606	Organization Costs	-	-	-	-	-	-	-
1609	Capital Contributions Paid	-	-	-	-	-	-	-
1611	Computer Software (Formally known as Account 1925)	21,512	89,235	71,320	51,306	51,211	81,834	97,723
1612	Land Rights (Formally known as Account 1906)	-	-	-	-	-	-	-
1805	Land	-	-	-	-	-	-	-
1808	Buildings	70,992	-	-	-	-	-	-
1810	Leasehold Improvements	-	-	-	-	-	-	-
1815	Transformer Station Equipment >50 kV	-	-	-	-	324,926	649,848	649,848
1820	Distribution Station Equipment <50 kV	93,129	88,515	107,276	120,871	128,804	141,587	155,202
1825	Storage Battery Equipment	-	-	-	-	-	-	-
1830	Poles, Towers & Fixtures	480,713	516,418	556,162	582,052	614,182	650,020	689,607
1835	Overhead Conductors & Devices	231,467	212,191	238,392	279,170	309,599	339,150	358,793
1840	Underground Conduit	33,826	25,818	64,751	27,112	29,052	31,659	36,513
1845	Underground Conductors & Devices	295,984	285,154	326,713	390,521	428,559	451,238	467,013
1850	Line Transformers	276,679	371,446	398,797	410,908	454,069	480,078	503,150
1855	Services (Overhead & Underground)	13,302	1,056	11,573	26,367	30,390	37,159	44,409
1860	Meters	164,802	170,579	181,009	201,377	232,536	267,813	290,356
1905	Land	-	-	-	-	-	-	-
1908	Buildings & Fixtures	-	86,451	87,476	89,017	91,062	92,484	93,198
1910	Leasehold Improvements	-	-	-	-	-	-	-
1915	Office Furniture & Equipment (10 years)	42,445	42,282	25,444	24,326	24,355	18,877	1,000
1920	Computer Equipment - Hardware	20,333	57,461	60,101	54,422	55,828	71,884	107,423
1930	Transportation Equipment	173,580	172,465	193,033	216,384	219,461	268,256	304,840
1935	Stores Equipment	-	-	-	-	-	-	-
1940	Tools, Shop & Garage Equipment	39,902	56,335	50,447	55,216	58,439	60,956	64,456
1945	Measurement & Testing Equipment	-	-	-	-	-	-	-
1950	Power Operated Equipment	-	-	-	-	-	-	-
1955	Communications Equipment	15,065	1,820	894	1,020	2,511	3,852	6,355
1960	Miscellaneous Equipment	-	-	-	-	-	-	-
1970	Load Management Controls Customer Premises	-	-	-	-	-	-	-
1975	Load Management Controls Utility Premises	-	-	-	-	-	-	-
1980	System Supervisor Equipment	-	45,917	46,192	46,192	46,192	46,296	46,296
1985	Miscellaneous Fixed Assets	-	-	-	-	-	-	-
1990	Other Tangible Property	-	-	-	-	-	-	-
1995	Contributions & Grants	(292,099)	-	-	-	-	-	-
2005	Property Under Finance Lease[7]	-	-	-	-	-	-	-
2440	Deferred Revenue[5]	-	(249,423)	(275,609)	(306,583)	(329,196)	(352,681)	(380,273)
	Sub-Total	**1,681,633**	**1,973,720**	**2,143,973**	**2,269,677**	**2,771,980**	**3,340,311**	**3,535,909**
	Transportation Equipment	(173,580)	(172,465)	(193,033)	(216,384)	(219,461)	(268,256)	(304,840)
	Deferred Revenue included in Other Revenue		249,423	275,609	306,583	329,196	352,681	380,273
	Misc Adjustment	-	(5,400)					
Depreciation Expense for Rate Application		**1,508,054**	**2,045,279**	**2,226,549**	**2,359,877**	**2,881,715**	**3,424,736**	**3,611,342**
	Trans Station Dep Expense recorded in Account 1508	-	-	-	-	(324,926)	(649,848)	
Depreciation Expense for Financial Reporting		**1,508,054**	**2,045,279**	**2,226,549**	**2,359,877**	**2,556,788**	**2,774,888**	**3,611,342**

In 2017, HHHI became aware of an error in its 2016 Cost of Service Application (EB-2015-0074). The depreciation expense that was approved in the 2016 Rate Application was understated by $339,393. On September 25, 2017, HHHI made an application to the OEB as part of EB-2017-0045 (2018 IRM application) requesting the approval of a deferral and variance account to record an adjustment to revenue requirement of $330,259 per year, which is the understated depreciation expense of $339,393 less the return on capital of $9,134 for the period May 1, 2016 to April 30, 2021.

The OEB approved the deferral and variance account for the amount of $330,259 effective January 1, 2018 until such time as the effective date of HHHI's rates from its next rebasing rate application. No amount was approved for 2016 and 2017.

In its Decision and Rate Order, the OEB stated that "No disposition of the deferral account will be permitted if Halton Hills Hydro's actual regulated ROE exceeds the OEB's approved ROE for the aggregated period from January 1, 2018 until December 31 of the last audited fiscal year for the next rebasing application". As seen in Exhibit 5 – Cost of Capital and Capital Structure, HHHI's ROE was far below the OEB approved 9.19% ROE in each year.

Table 42 - Comparison of Depreciation and Amortization Expense – 2016 Board Approved and Revised 2016 Board Approved below presents a comparison of the 2016 Board Approved and the Revised 2016 Board Approved.

1 **Table 42 - Comparison of Depreciation and Amortization Expense – 2016 Board Approved**
2 **and Revised 2016 Board Approved**

OEB Account [3]	Description [3]	2016 Board Approved	Revised 2016 Board Approved	Difference
1606	Organization Costs	-	-	-
1609	Capital Contributions Paid	-	-	-
1611	Computer Software (Formally known as Account 1925)	21,512	104,559	83,047
1612	Land Rights (Formally known as Account 1906)	-	-	-
1805	Land	-	-	-
1808	Buildings	70,992	89,287	18,295
1810	Leasehold Improvements	-	-	-
1815	Transformer Station Equipment >50 kV	-	-	-
1820	Distribution Station Equipment <50 kV	93,129	108,053	14,924
1825	Storage Battery Equipment	-	-	-
1830	Poles, Towers & Fixtures	480,713	510,071	29,358
1835	Overhead Conductors & Devices	231,467	224,604	(6,863)
1840	Underground Conduit	33,826	30,646	(3,180)
1845	Underground Conductors & Devices	295,984	285,731	(10,252)
1850	Line Transformers	276,679	342,836	66,156
1855	Services (Overhead & Underground)	13,302	4,536	(8,767)
1860	Meters	164,802	177,926	13,124
1905	Land	-	-	-
1908	Buildings & Fixtures	-	-	-
1910	Leasehold Improvements	-	-	-
1915	Office Furniture & Equipment (10 years)	42,445	59,282	16,837
1920	Computer Equipment - Hardware	20,333	57,296	36,962
1930	Transportation Equipment	173,580	174,708	1,128
1935	Stores Equipment	-	-	-
1940	Tools, Shop & Garage Equipment	39,902	52,111	12,209
1945	Measurement & Testing Equipment	-	-	-
1950	Power Operated Equipment	-	-	-
1955	Communications Equipment	15,065	49,901	34,836
1960	Miscellaneous Equipment	-	-	-
1970	Load Management Controls Customer Premises	-	-	-
1975	Load Management Controls Utility Premises	-	-	-
1980	System Supervisor Equipment	-	-	-
1985	Miscellaneous Fixed Assets	-	-	-
1990	Other Tangible Property	-	-	-
1995	Contributions & Grants	(292,099)	(249,392)	42,707
2005	Property Under Finance Lease[7]	-	-	-
2440	Deferred Revenue[5]	-	-	-
	Sub-Total	**1,681,633**	**2,022,154**	**340,520**
	Transportation Equipment	(173,580)	(174,708)	(1,128)
	Deferred Revenue included in Other Revenue			
	Misc Adjustment	-		
Depreciation Expense for Rate Application		**1,508,054**	**1,847,446**	**339,393**
	Trans Station Dep Expense recorded in Account 1508	-		
Depreciation Expense for Financial Reporting		**1,508,054**	**1,847,446**	**339,393**

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4.8.2 ACCOUNTING CHANGES

4.8.2.1 CHANGES IN CAPITALIZATION POLICIES AND DEPRECIATION

In its 2012 Cost of Service Rate Application (EB-2011-0271), HHHI adopted the Revised CGAAP basis of reporting beginning January 1, 2012. As part of the change-over to Revised CGAAP in 2012, HHHI changed its depreciation rates and capitalization policy. HHHI also adjusted the CGAAP book value of its assets based on new useful lives provided in the HHHI specific Kinectrics report. The book value variance of assets between original CGAAP and Revised CGAAP was recorded in Deferral and Variance account 1575 and amortized from 2012 to 2016. The implementation of Revised CGAAP, the new useful lives of assets and capitalization policy were approved by the OEB in HHHI's 2012 Cost of Service Rate Application.

As outlined above, HHHI did not make any additional changes.

4.8.2.2 TRANSITION TO MODIFIED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("MIFRS")

HHHI adopted International Financial Reporting Standards ("IFRS") effective January 1, 2015 with restatement to January 1, 2014 balances ("transition date"). HHHI adopted Modified International Financial Reporting Standards (MIFRS) for rate making purposes effective January 1, 2015 and follows the OEB's Accounting Procedures Handbook ("APH").

In this Application, HHHI presents all years under MIFRS.

4.8.3 DEPRECIATION RATES AND METHODOLOGY

4.8.3.1 USEFUL LIVES AND COMPONENTIZATION

In its 2012 Cost of Service Rate Application (EB-2011-0271), HHHI adopted the Revised CGAAP basis of reporting beginning January 1, 2012. As part of the change-over to Revised CGAAP in 2012, HHHI changed its depreciation rates and capitalization policy. HHHI also adjusted the

CGAAP book value of its assets based on new useful lives provided in the HHHI specific Kinectrics report. The book value variance of assets between original CGAAP and Revised CGAAP was recorded in Deferral and Variance account 1575 and amortized from 2012 to 2016. The implementation of Revised CGAAP, the new useful lives of assets and capitalization policy were approved by the OEB in HHHI's 2012 Cost of Service Rate Application.

The following outlines the depreciation practices used by HHHI in this Application.

HHHI's estimated useful lives ("UL") were determined using the Kinectrics Useful Life Study ("HHHI Kinectrics Study") that was conducted on behalf of HHHI, and which was incorporated in 2012 Cost of Service Application (EB-201-0271, Exhibit 4). A copy of the Kinectrics Study is provided in Appendix 4-1. HHHI has not made any changes to the depreciation expense policy or changes in asset services lives.

HHHI transformer station (MTS1), explained in Exhibit 2, was completed and commissioned in November 2019. HHHI used the OEB Kinectrics study report (K-418033-RA-001-R000) to determine componentization and useful life of the new MTS1 transformer station. HHHI's Specific Report did not include municipal transformer station componentization and useful lives.

Table 43 - HHHI Service Life and Depreciation Rate summarizes the useful life and depreciation rates for the HHHI capital assets.[32] [33] [34] [35]

[32] MFR - Copy of depreciation/amortization policy, or equivalent written description; summary of changes to depreciation/amortization policy since last CoS
[33] MFR - Explanation of any deviations from the practice of depreciating significant parts or components of PP&E separately
[34] 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, 2013
-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)
[35] MFR - Explanations for any useful lives of an asset that are proposed that are not within the ranges contained in the Kinectrics Report

Table 43 - HHHI Service Life and Depreciation Rate

		Asset Details			Useful Life			USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
Parent*	#	Category| Component | Type			MIN UL	TUL	MAX UL			Years	Rate	Years	Rate	Below Min TUL	Above Max TUL
OH	1	Fully Dressed Wood Poles	Overall		40	44	50	1830	Poles, Towers and Fixtures	50	2.0%	50	2%	No	No
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	2	Fully Dressed Concrete Poles	Overall		50	60	80								
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	3	Fully Dressed Steel Poles	Overall		60	60	80								
			Cross Arm	Wood	20	40	55								
				Steel	30	70	95								
	4	OH Line Switch			30	50	60	1835	Overhead Conductors and Devices	40	2.5%	40	3%	No	No
	5	OH Line Switch Motor			15	25	25								
	6	OH Line Switch RTU			15	20	20								
	7	OH Integral Switches			35	45	60								
	8	OH Conductors			50	60	77	1835	Overhead Conductors and Devices	50	2.0%	50	2%	No	No
	9	OH Transformers & Voltage Regulators			30	40	60	1850	Line Transformers	40	2.5%	40	3%	No	No
	10	OH Shunt Capacitor Banks			25	30	40								
	11	Reclosers			25	40	55								
TS & MS	12	Power Transformers	Overall		30	45	60	1815	Transformer Station Equipment - Normall	35	2.9%	35	3%	No	No
			Bushing		10	20	30	1815	Transformer Station Equipment - Normall	20	5.0%	20	5%	No	No
			Tap Changer		20	30	60	1815	Transformer Station Equipment - Normall	20	5.0%	20	5%	No	No
	13	Station Service Transformer			30	45	55	1815	Transformer Station Equipment - Normall	45	2.2%	45	2%	No	No
	14	Station Grounding Transformer			30	40	40	1815	Transformer Station Equipment - Normall	40	2.5%	40	3%	No	No
	15	Station DC System	Overall		10	20	30	1820	Distribution Station Equipment - Normally	20	5.0%	20	5%	No	No
			Battery Bank		10	15	15								
			Charger		20	20	30								
	16	Station Metal Clad Switchgear	Overall		30	40	60	1815	Transformer Station Equipment - Normall	50	2.0%	50	2%	No	No
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65	1815	Transformer Station Equipment - Normall	45	2.2%	45	2%	No	No
	18	Station Switch			30	50	60	1815	Transformer Station Equipment - Normall	50	2.0%	50	2%	No	No
	19	Electromechanical Relays			25	35	50								
	20	Solid State Relays			10	30	45								
	21	Digital & Numeric Relays			15	20	20	1815	Transformer Station Equipment - Normall	20	5.0%	20	5%	No	No
	22	Rigid Busbars			30	55	60	1815	Transformer Station Equipment - Normall	55	1.8%	55	2%	No	No
	23	Steel Structure			35	50	90	1815	Transformer Station Equipment - Normall	20	5.0%	20	5%	Yes	No
UG	24	UG Primary Cables			30	40	60	1845	Underground Conductors and Devices	40	2.5%	40	3%	No	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								
	31	Secondary Cables Direct Buried			25	35	40								
	32	Secondary Cables in Duct			40	40	60	1845	Underground Conductors and Devices	40	2.5%	40	3%	No	No
	33	Network Tranformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			30	40	40	1850	Line Transformers	40	2.5%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	45								
	36	UG Foundation			35	55	70								
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50								
	39	Pad-Mounted Switchgear			20	30	40	1845	Underground Conductors and Devices	30	3.3%	30	3%	No	No
	40	Ducts			30	50	80	1840	Underground Conduit	50	2.0%	50	2%	No	No
	41	Concrete Encased Duct Banks			35	55	80	1815	Transformer Station Equipment - Normall	55	1.8%	55	2%	No	No
	42	Cable Chambers			50	60	80								
S	43	Remote SCADA			15	20	30								

	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 and Equipment	5	20.0%	5	20%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment	12	8.3%	12	8%	No	No
		Trailers	5	20	1930	Transportation Equipment	15	6.7%	15	7%	No	No
		Vans	5	10	1930	Transportation Equipment	8	12.5%	8	13%	No	No
3	Administrative Buildings		50	75			42	2.4%	42	2%	Yes	No
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75	1815	Transformer Station Equipment - Normall	50	2.0%	50	2%	No	No
		Parking	25	30	1815	Transformer Station Equipment - Normall	25	4.0%	25	4%	No	No
		Fence	25	60	1815	Transformer Station Equipment - Normall	35	2.9%	35	3%	No	No
		Roof	20	30	1815	Transformer Station Equipment - Normall	20	5.0%	20	5%	No	No
6	Computer Equipment	Hardware	3	5	1920	Computer Equipment - Hardware	5	20.0%	5	20%	No	No
		Software	2	5	1611	Computer Software	5	20.0%	5	20%	No	No
7	Equipment	Power Operated	5	10								
		Stores	5	10	1940	Tools, Shop and Garage Equipment	10	10.0%	10	10%	No	No
		Tools, Shop, Garage Equipment	5	10	1940	Tools, Shop and Garage Equipment	10	10.0%	10	10%	No	No
		Measurement & Testing Equipment	5	10								
8	Communication	SCADA	15	30	1980	System Supervisory Equipment	20	5.0%	20	5%	No	No
		Wireless	2	10	1955	Communication Equipment	10	10.0%	10	10%	No	No
9	Residential Energy Meters		25	35								
10	Industrial/Commercial Energy Meters		20	35	1860	Meters	20	5.0%	20	5%	No	No
11	Wholesale Energy Meters		15	30	1860	Meters	20	5.0%	20	5%	No	No
12	Current & Potential Transformer (CT & PT)		30	50	1860	Meters	45	2.2%	45	2%	No	No
13	Smart Meters		5	15	1860	Meters	15	6.7%	15	7%	No	No
14	Repeaters - Smart Metering		10	15								
15	Data Collectors - Smart Metering		15	20								

4.8.3 DEPRECIATION EXPENSE ASSOCIATED WITH RETIREMENT OBLIGATION

HHHI does not have any asset retirement obligations (AROs) or any associated depreciation or accretion expenses related to an asset retirement obligation.[36]

4.8.4 ADOPTION OF THE HALF YEAR RULE

HHHI 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.[37] 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.

[36] MFR - Identification of any Asset Retirement Obligations and associated depreciation, accretion expense
[37] MFR – Identification of historical depreciation practice and proposal for test year. Variances from half- year rule.

4.8.3.2 DEPRECIATION EXPENSE

The Filing Requirements state the completion of depreciation and amortization expense tables in Accordance with Appendix 2-C are required to be filed. HHHI has filed its own version of Appendix 2-C in live Excel format with this Application. HHHI's model provides improved accuracy of asset componentization of assets in accordance with the HHHI specific Kinectrics Report.

In its 2016 Cost of Service Rate Application EB-2015-0074 HHHI rebased under MIFRS and presents the following Depreciation and Amortization Expense for: [38]

- Table 44 - 2016 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense
- Table 45 - 2017 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense
- Table 46 - 2018 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense
- Table 47 - 2019 MIFRS – HHHI Version of Appendix 2-C Depreciation and Amortization Expense
- Table 48 - 2020 Bridge Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense
- Table 49 - 2021 Test Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense

[38] 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

Table 44 - 2016 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense

		Book Values						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) [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
		a	b	c = a-b	d	e	f = d- e	g
1830	Poles	$ 19,527,826		$ 19,527,826	$ 3,434,013		$ 3,434,013	$ 3,625,314
1835	OH Conductors	$ 6,516,644		$ 6,516,644	$ 72,250		$ 72,250	$ 30,242
1835	OH Switches	$ 1,293		$ 1,293	$ 64,832		$ 64,832	$ 106,064
		$ -					$ -	$ -
1845	UG Primary Cables	$ 7,045,633		$ 7,045,633	$ 92,760		$ 92,760	$ -
1845	UG Secondary Cables	$ 3,303,315		$ 3,303,315	$ -		$ -	$ -
1845	UG Switchgear	$ 2,737		$ 2,737	$ -		$ -	$ 293,763
1840	Ducts	$ 1,053,498		$ 1,053,498	$ 87,091		$ 87,091	$ 64,038
				$ -			$ -	
				$ -			$ -	
1850	OH Transformers & Voltage Regulators	$ 1,136,470		$ 1,136,470	$ 2,369,339		$ 2,369,339	$ 3,385,433
1850	Transformers incl. grounding system	$ 2,956,742		$ 2,956,742	-$ 85,971		-$ 85,971	$ 234,442
		$ -					$ -	$ -
1820	DC Service Station	$ 1,090,832		$ 1,090,832	$ 55,927		$ 55,927	$ 238,560
1820	DC Service Station Transformer	$ -		$ -	$ -		$ -	$ -
1820	DC Service Stations SwitchGear	$ -		$ -	$ -		$ -	$ -
		$ -					$ -	$ -
1835	Switchgear - Air & Gas	$ 2,320,725		$ 2,320,725	$ -		$ -	$ -
1850	UG Transformer	$ 5,264,527		$ 5,264,527	$ -		$ -	$ -
		$ -					$ -	$ -
1860	Industrial/Wholesale meters	$ 1,918,642		$ 1,918,642	$ -		$ -	$ -
1860	Other meters, PTs & CTs	$ 2,864,473		$ 2,864,473	$ 13,086		$ 13,086	$ 24,252
1860	Smart Meters	$ -		$ -	$ -		$ -	$ -
1860	Smart meters -Data Collectors	$ -		$ -	$ -		$ -	$ -
		$ -					$ -	$ -
1805	Land	$ 591,341		$ 591,341	$ 980,479		$ 980,479	$ -
1806	Land Rights	$ 4,738		$ 4,738	$ -		$ -	$ -
1806		$ -		$ -	$ -		$ -	$ -
1908	Buildings and Fixtures	$ 2,689,156		$ 2,689,156	$ 174,749		$ 174,749	$ 46,742
		$ -		$ -	$ -		$ -	$ -
1915	Office Equipment	$ 126,090	$ 7,663	$ 118,427	$ 93,896		$ 93,896	$ 22,642
		$ -		$ -	$ -		$ -	$ -
1920	Computer Hardware	$ 473,797	$ 427,635	$ 46,162	$ 98,237		$ 98,237	$ 76,653
1925	Computer Software	$ 1,254,059	$ 1,064,378	$ 189,681	$ 95,985		$ 95,985	$ 27,778
		$ -		$ -	$ -		$ -	$ -
1930	Bucket Trucks	$ 1,328,766	$ 11,394	$ 1,317,372	$ 290,854		$ 290,854	$ -
1930	Trailers	$ 137,812		$ 137,812	$ -		$ -	$ -
1930	Vans/Cars	$ 214,880	$ 27,577	$ 187,303	$ -		$ -	$ 72,450
		$ -		$ -	$ -		$ -	$ -
1940	Power Tools, shop, garage, measurement testing	$ 347,862	$ 101,174	$ 246,689	$ 151,478		$ 151,478	$ 16,730
1940	Stores Equipment	$ 5,161		$ 5,161	$ -		$ -	$ -
		$ -		$ -	$ -		$ -	$ -
		$ -		$ -	$ -		$ -	$ -
1980	SCADA	$ 696,864		$ 696,864	$ 4,175		$ 4,175	$ 15,960
1955	Other	$ -		$ -	$ -		$ -	$ -
		$ -		$ -	$ -		$ -	$ -
1855	Services	$ 2,477		$ 2,477	$ 34,478		$ 34,478	$ 31,708
		$ -		$ -	$ -		$ -	$ -
1955	Communication Equipment, Wireless	$ 15,847		$ 15,847	$ 5,184		$ 5,184	$ -
		$ -		$ -	$ -		$ -	
1606	Corporation Costs	$ 192,292		$ 192,292	$ -		$ -	
				$ -				
1995	Contributions & Grants	$ -		$ -	$ -		$ -	
2440	Deferred Revenue	$ -		$ -	$ -		$ -	
	Total	**$ 63,084,499**	**$ 1,639,821**	**$ 61,444,678**	**$ 8,032,840**	**$ -**	**$ 8,032,840**	**$ 8,312,770**

1 **Table 44 - 2016 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization**
2 **Expense (cont'd)**

		Service Lives			
Account	Description	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 Rate on New Additions
		h	i = 1/h	j	k = 1/j
1830	Poles	48.00	2.08%	50.00	2.00%
1835	OH Conductors	46.00	2.17%	50.00	2.00%
1835	OH Switches	34.50	2.90%	40.00	2.50%
		-	0.00%	-	0.00%
1845	UG Primary Cables	36.50	2.74%	40.00	2.50%
1845	UG Secondary Cables	34.50	2.90%	40.00	2.50%
1845	UG Switchgear	24.18	4.14%	50.00	2.00%
1840	Ducts	44.18	2.26%	50.00	2.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1850	OH Transformers & Voltage Regulators	40.00	2.50%	40.00	2.50%
1850	Transformers incl. grounding system	28.85	3.47%	20.00	5.00%
		-	0.00%	-	0.00%
1820	DC Service Station	13.85	7.22%	20.00	5.00%
1820	DC Service Station Transformer	-	0.00%	40.00	2.50%
1820	DC Service Stations SwitchGear	-	0.00%	40.00	2.50%
		-	0.00%	-	0.00%
1835	Switchgear - Air & Gas	33.85	2.95%	40.00	2.50%
1850	UG Transformer	36.27	2.76%	40.00	2.50%
		-	0.00%	-	0.00%
1860	Industrial/Wholesale meters	17.10	5.85%	20.00	5.00%
1860	Other meters, PTs & CTs	44.00	2.27%	45.00	2.22%
1860	Smart Meters	-	0.00%	15.00	6.67%
1860	Smart meters -Data Collectors	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1805	Land	-	0.00%	-	0.00%
1806	Land Rights	-	0.00%	-	0.00%
1806		-	0.00%	-	0.00%
1908	Buildings and Fixtures	34.00	2.94%	42.00	2.38%
		-	0.00%	-	0.00%
1915	Office Equipment	5.00	20.00%	5.00	20.00%
		-	0.00%	-	0.00%
1920	Computer Hardware	1.50	66.67%	5.00	20.00%
1925	Computer Software	3.00	33.33%	5.00	20.00%
		-	0.00%	-	0.00%
1930	Bucket Trucks	12.00	8.33%	12.00	8.33%
1930	Trailers	11.00	9.09%	15.00	6.67%
1930	Vans/Cars	7.50	13.33%	8.00	12.50%
		-	0.00%	-	0.00%
1940	Power Tools, shop, garage, measurement testing	7.00	14.29%	10.00	10.00%
1940	Stores Equipment	3.00	33.33%	10.00	10.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1980	SCADA	13.62	7.34%	20.00	5.00%
1955	Other	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1855	Services	50.00	2.00%	50.00	2.00%
		-	0.00%	-	0.00%
1955	Communication Equipment, Wireless	2.50	40.00%	10.00	10.00%
		-	0.00%	-	0.00%
1606	Corporation Costs	-	0.00%	-	0.00%
1995	Contributions & Grants		0.00%		0.00%
2440	Deferred Revenue		0.00%		0.00%
3	**Total**				

Table 44 - 2016 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

		Depreciation Expense					
Account	Description	Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions [5]	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [6]
		l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1830	Poles	$ 406,830	$ 68,680	$ 36,253	$ 511,763	$ 516,418	$ 4,655
1835	OH Conductors	$ 141,666	$ 1,445	$ 302	$ 143,414	$ 140,104	-$ 3,309
1835	OH Switches	$ 37	$ 1,621	$ 1,326	$ 2,984	$ 2,981	-$ 3
			$ -			$ -	
1845	UG Primary Cables	$ 193,031	$ 2,319	$ -	$ 195,350	$ 192,088	-$ 3,262
1845	UG Secondary Cables	$ 95,748	$ -	$ -	$ 95,748	$ 90,070	-$ 5,678
1845	UG Switchgear	$ 113	$ -	$ 2,938	$ 3,051	$ 2,996	-$ 55
1840	Ducts	$ 23,845	$ 1,742	$ 640	$ 26,227	$ 25,818	-$ 409
		$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1850	OH Transformers & Voltage Regulators	$ 28,412	$ 59,233	$ 42,318	$ 129,963	$ 125,919	-$ 4,044
1850	Transformers incl. grounding system	$ 102,500	-$ 4,299	$ 5,861	$ 104,063	$ 100,880	-$ 3,183
			$ -			$ -	
1820	DC Service Station	$ 78,782	$ 2,796	$ 5,964	$ 87,543	$ 88,515	$ 973
1820	DC Service Station Transformer	$ -	$ -	$ -	$ -	$ -	$ -
1820	DC Service Stations SwitchGear	$ -	$ -	$ -	$ -	$ -	$ -
			$ -			$ -	
1835	Switchgear - Air & Gas	$ 68,567	$ -	$ -	$ 68,567	$ 69,105	$ 538
1850	UG Transformer	$ 145,148	$ -	$ -	$ 145,148	$ 144,648	-$ 501
			$ -			$ -	
1860	Industrial/Wholesale meters	$ 112,201	$ -	$ -	$ 112,201	$ 108,003	-$ 4,198
1860	Other meters, PTs & CTs	$ 65,102	$ 291	$ 269	$ 65,662	$ 62,576	-$ 3,086
1860	Smart Meters	$ -	$ -	$ -	$ -	$ -	$ -
1860	Smart meters -Data Collectors	$ -	$ -	$ -	$ -	$ -	$ -
			$ -			$ -	
1805	Land	$ -	$ -	$ -	$ -	$ -	$ -
1806	Land Rights	$ -	$ -	$ -	$ -	$ -	$ -
1806		$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings and Fixtures	$ 79,093	$ 4,161	$ 556	$ 83,810	$ 86,451	$ 2,641
		$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Equipment	$ 23,685	$ 18,779	$ 2,264	$ 44,729	$ 42,282	-$ 2,447
		$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Hardware	$ 30,775	$ 19,647	$ 7,665	$ 58,087	$ 57,461	-$ 626
1925	Computer Software	$ 63,227	$ 19,197	$ 6,944	$ 89,368	$ 89,223	-$ 145
		$ -	$ -	$ -	$ -	$ -	$ -
1930	Bucket Trucks	$ 109,781	$ 24,238	$ -	$ 134,019	$ 135,890	$ 1,871
1930	Trailers	$ 12,528	$ -	$ -	$ 12,528	$ 8,431	-$ 4,098
1930	Vans/Cars	$ 24,974	$ -	$ 4,528	$ 29,502	$ 28,144	-$ 1,358
		$ -	$ -	$ -	$ -	$ -	$ -
1940	Power Tools, shop, garage, measurement testing	$ 35,241	$ 15,148	$ 836	$ 51,226	$ 50,004	-$ 1,222
1940	Stores Equipment	$ 1,720	$ -	$ -	$ 1,720	$ 944	-$ 776
		$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -
1980	SCADA	$ 51,182	$ 209	$ 399	$ 51,790	$ 45,917	-$ 5,873
1955	Other	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -
1855	Services	$ 50	$ 690	$ 317	$ 1,056	$ 1,056	$ 0
		$ -	$ -	$ -	$ -	$ -	$ -
1955	Communication Equipment, Wireless	$ 6,339	$ 518	$ -	$ 6,857	$ 1,820	-$ 5,037
		$ -	$ -	$ -	$ -	$ -	$ -
1606	Corporation Costs	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -	$ -	$ -
2440	Deferred Revenue	$ -	$ -	$ -	$ -		$ -
	Total	**$ 1,900,578**	**$ 236,416**	**$ 119,383**	**$ 2,256,376**	**$ 2,217,744**	**-$ 38,632**

Table 45 - 2017 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense

		Book Values						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) [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
		a	b	c = a-b	d	e	f = d- e	g
1830	Poles	$ 19,527,826		$ 19,527,826	7,059,327		$ 7,059,327	1,882,924
1835	OH Conductors	$ 6,516,644		$ 6,516,644	102,492		$ 102,492	151,793
1835	OH Switches	$ 1,293		$ 1,293	170,896		$ 170,896	923,626
		$ -			-		$ -	-
1845	UG Primary Cables	$ 7,045,633		$ 7,045,633	92,760		$ 92,760	1,138,981
1845	UG Secondary Cables	$ 3,303,315		$ 3,303,315	-		$ -	798,354
1845	UG Switchgear	$ 2,737		$ 2,737	293,763		$ 293,763	268,565
1840	Ducts	$ 1,053,498		$ 1,053,498	151,129		$ 151,129	118,808
		$ -		$ -	-		$ -	
		$ -		$ -	-		$ -	
1850	OH Transformers & Voltage Regulators	$ 1,136,470		$ 1,136,470	5,754,772		$ 5,754,772	9,323
1850	Transformers incl. grounding system	$ 2,956,742		$ 2,956,742	148,471		$ 148,471	-
		$ -			-		$ -	-
1820	DC Service Station	$ 1,090,832		$ 1,090,832	294,487		$ 294,487	111,641
1820	DC Service Station Transformer	$ -		$ -	-		$ -	-
1820	DC Service Stations SwitchGear	$ -		$ -	-		$ -	858,919
		$ -			-		$ -	-
1835	Switchgear - Air & Gas	$ 2,320,725		$ 2,320,725	-		$ -	-
1850	UG Transformer	$ 5,264,527		$ 5,264,527	-		$ -	770,399
		$ -			-		$ -	-
1860	Industrial/Wholesale meters	$ 1,918,642		$ 1,918,642	-		$ -	46,413
1860	Other meters, PTs & CTs	$ 2,864,473		$ 2,864,473	37,339		$ 37,339	3,322
1860	Smart Meters	$ -		$ -	-		$ -	256,922
1860	Smart meters -Data Collectors	$ -		$ -	-		$ -	-
		$ -			-		$ -	-
1805	Land	$ 591,341		$ 591,341	980,479		$ 980,479	-
1806	Land Rights	$ 4,738		$ 4,738	-		$ -	-
1806		$ -		$ -	-		$ -	-
1908	Buildings and Fixtures	$ 2,689,156		$ 2,689,156	221,491		$ 221,491	58,175
		$ -		$ -	-		$ -	-
1915	Office Equipment	$ 118,427	$ 102,626	$ 15,801	116,538		$ 116,538	538
		$ -		$ -	-		$ -	-
1920	Computer Hardware	$ 46,162		$ 46,162	174,889	$ 49,158	$ 125,731	24,472
1925	Computer Software	$ 189,681		$ 189,681	123,763		$ 123,763	123,564
		$ -		$ -	-		$ -	-
1930	Bucket Trucks	$ 1,317,372		$ 1,317,372	290,854		$ 290,854	441,145
1930	Trailers	$ 137,812		$ 137,812	-		$ -	-
1930	Vans/Cars	$ 187,303		$ 187,303	72,450		$ 72,450	-
		$ -		$ -	-		$ -	-
1940	Power Tools, shop, garage, measurement testing	$ 246,689	$ 28,596	$ 218,093	168,208		$ 168,208	86,378
1940	Stores Equipment	$ 5,161		$ 5,161	-		$ -	-
		$ -		$ -	-		$ -	-
		$ -		$ -	-		$ -	-
1980	SCADA	$ 696,864		$ 696,864	20,135		$ 20,135	-
1955	Other	$ -		$ -	-		$ -	300
		$ -		$ -	-		$ -	-
1855	Services	$ 2,477		$ 2,477	66,186		$ 66,186	325,611
		$ -		$ -	-		$ -	-
1955	Communication Equipment, Wireless	$ 15,847		$ 15,847	5,184		$ 5,184	-
		$ -		$ -	-		$ -	-
1606	Corporation Costs	$ 192,292		$ 192,292	-		$ -	-
		$ -		$ -	-			
1995	Contributions & Grants	$ -		$ -	-		$ -	-
2440	Deferred Revenue	$ -		$ -	-		$ -	-
	Total	**$ 61,444,678**	**$ 131,222**	**$ 61,313,456**	**$ 16,345,610**	**$ 49,158**	**$ 16,296,452**	**$ 8,400,174**

Table 45 - 2017 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

		Service Lives			
Account	**Description**	**Average Remaining Life of Assets Existing Before Policy Change [3]** **h**	**Depreciation Rate Assets Acquired After Policy Change** **i = 1/h**	**Life of Assets Acquired After Policy Change [4]** **j**	**Depreciation Rate on New Additions** **k = 1/j**
1830	Poles	48.00	2.08%	50.00	2.00%
1835	OH Conductors	46.00	2.17%	50.00	2.00%
1835	OH Switches	34.50	2.90%	40.00	2.50%
		-	0.00%	-	0.00%
1845	UG Primary Cables	36.50	2.74%	40.00	2.50%
1845	UG Secondary Cables	34.50	2.90%	40.00	2.50%
1845	UG Switchgear	24.18	4.14%	50.00	2.00%
1840	Ducts	44.18	2.26%	50.00	2.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1850	OH Transformers & Voltage Regulators	40.00	2.50%	40.00	2.50%
1850	Transformers incl. grounding system	28.85	3.47%	20.00	5.00%
		-	0.00%	-	0.00%
1820	DC Service Station	13.85	7.22%	20.00	5.00%
1820	DC Service Station Transformer	-	0.00%	40.00	2.50%
1820	DC Service Stations SwitchGear	-	0.00%	40.00	2.50%
		-	0.00%	-	0.00%
1835	Switchgear - Air & Gas	33.85	2.95%	40.00	2.50%
1850	UG Transformer	36.27	2.76%	40.00	2.50%
		-	0.00%	-	0.00%
1860	Industrial/Wholesale meters	17.10	5.85%	20.00	5.00%
1860	Other meters, PTs & CTs	44.00	2.27%	45.00	2.22%
1860	Smart Meters	-	0.00%	15.00	6.67%
1860	Smart meters -Data Collectors	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1805	Land	-	0.00%	-	0.00%
1806	Land Rights	-	0.00%	-	0.00%
1806		-	0.00%	-	0.00%
1908	Buildings and Fixtures	34.00	2.94%	42.00	2.38%
		-	0.00%	-	0.00%
1915	Office Equipment	5.00	20.00%	5.00	20.00%
		-	0.00%	-	0.00%
1920	Computer Hardware	1.50	66.67%	5.00	20.00%
1925	Computer Software	5.00	20.00%	5.00	20.00%
		-	0.00%	-	0.00%
1930	Bucket Trucks	12.00	8.33%	12.00	8.33%
1930	Trailers	11.00	9.09%	15.00	6.67%
1930	Vans/Cars	7.50	13.33%	8.00	12.50%
		-	0.00%	-	0.00%
1940	Power Tools, shop, garage, measurement testing	7.00	14.29%	10.00	10.00%
1940	Stores Equipment	3.00	33.33%	10.00	10.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1980	SCADA	13.62	7.34%	20.00	5.00%
1955	Other	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1855	Services	50.00	2.00%	50.00	2.00%
		-	0.00%	-	0.00%
1955	Communication Equipment, Wireless	2.50	40.00%	10.00	10.00%
		-	0.00%	-	0.00%
1606	Corporation Costs	-	0.00%	-	0.00%
1995	Contributions & Grants		0.00%		0.00%
2440	Deferred Revenue		0.00%		0.00%
	Total				

Table 45 - 2017 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

Account	Description	Depreciation Expense					
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions [5]	Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [6]
		l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1830	Poles	$ 406,830	$ 141,187	$ 18,829	$ 566,845	556,161	-$ 10,684
1835	OH Conductors	$ 141,666	$ 2,050	$ 1,518	$ 145,234	145,757	$ 523
1835	OH Switches	$ 37	$ 4,272	$ 11,545	$ 15,855	23,720	$ 7,864
			$ -			-	
1845	UG Primary Cables	$ 193,031	$ 2,319	$ 14,237	$ 209,587	218,519	$ 8,932
1845	UG Secondary Cables	$ 95,748	$ -	$ 9,979	$ 105,728	99,804	-$ 5,924
1845	UG Switchgear	$ 113	$ 5,875	$ 2,686	$ 8,674	8,390	-$ 284
1840	Ducts	$ 23,845	$ 3,023	$ 1,188	$ 28,055	64,751	$ 36,696
		$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1850	OH Transformers & Voltage Regulators	$ 28,412	$ 143,869	$ 117	$ 172,398	146,441	-$ 25,956
1850	Transformers incl. grounding system	$ 102,500	$ 7,424	$ -	$ 109,924	101,366	-$ 8,558
			$ -			-	
1820	DC Service Station	$ 78,782	$ 14,724	$ 2,791	$ 96,298	96,539	$ 242
1820	DC Service Station Transformer	$ -	$ -	$ -	$ -	-	$ -
1820	DC Service Stations SwitchGear	$ -	$ -	$ 10,736	$ 10,736	10,736	$ 0
			$ -			-	
1835	Switchgear - Air & Gas	$ 68,567	$ -	$ -	$ 68,567	68,916	$ 349
1850	UG Transformer	$ 145,148	$ -	$ 9,630	$ 154,778	150,991	-$ 3,788
			$ -			-	
1860	Industrial/Wholesale meters	$ 112,201	$ -	$ 1,160	$ 113,362	108,869	-$ 4,493
1860	Other meters, PTs & CTs	$ 65,102	$ 830	$ 37	$ 65,968	61,110	-$ 4,858
1860	Smart Meters	$ -	$ -	$ 8,564	$ 8,564	11,031	$ 2,467
1860	Smart meters -Data Collectors	$ -	$ -	$ -	$ -	-	$ -
			$ -			-	
1805	Land	$ -	$ -	$ -	$ -	-	$ -
1806	Land Rights	$ -	$ -	$ -	$ -	-	$ -
1806		$ -	$ -	$ -	$ -	-	$ -
1908	Buildings and Fixtures	$ 79,093	$ 5,274	$ 693	$ 85,059	87,476	$ 2,417
		$ -	$ -	$ -	$ -	-	$ -
1915	Office Equipment	$ 3,160	$ 23,308	$ 54	$ 26,522	25,444	-$ 1,078
		$ -	$ -	$ -	$ -	-	$ -
1920	Computer Hardware	$ 30,775	$ 25,146	$ 2,447	$ 58,368	60,101	$ 1,733
1925	Computer Software	$ 37,936	$ 24,753	$ 12,356	$ 75,045	71,320	-$ 3,725
		$ -	$ -	$ -	$ -	-	$ -
1930	Bucket Trucks	$ 109,781	$ 24,238	$ 18,381	$ 152,400	153,690	$ 1,290
1930	Trailers	$ 12,528	$ -	$ -	$ 12,528	8,408	-$ 4,121
1930	Vans/Cars	$ 24,974	$ 9,056	$ -	$ 34,030	30,936	-$ 3,094
		$ -	$ -	$ -	$ -	-	$ -
1940	Power Tools, shop, garage, measurement testing	$ 31,156	$ 16,821	$ 4,319	$ 52,296	50,447	-$ 1,849
1940	Stores Equipment	$ 1,720	$ -	$ -	$ 1,720	-	-$ 1,720
		$ -	$ -	$ -	$ -	-	$ -
		$ -	$ -	$ -	$ -	-	$ -
1980	SCADA	$ 51,182	$ 1,007	$ -	$ 52,189	46,192	-$ 5,997
1955	Other	$ -	$ -	$ -	$ -	-	$ -
		$ -	$ -	$ -	$ -	-	$ -
1855	Services	$ 50	$ 1,324	$ 3,256	$ 4,629	11,573	$ 6,944
		$ -	$ -	$ -	$ -	-	$ -
1955	Communication Equipment, Wireless	$ 6,339	$ 518	$ -	$ 6,857	894	-$ 5,963
		$ -	$ -	$ -	$ -	-	$ -
1606	Corporation Costs	$ -	$ -	$ -	$ -	-	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -	-	$ -
2440	Deferred Revenue	$ -	$ -	$ -	$ -		$ -
	Total	$ 1,850,677	$ 457,016	$ 134,524	$ 2,442,218	$ 2,419,581	-$ 22,636

Table 46 - 2018 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense

		Book Values						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) [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
		a	b	c = a-b	d	e	f = d- e	g
1830	Poles	$ 19,527,826		$ 19,527,826	8,942,251		$ 8,942,251	1,838,091
1835	OH Conductors	$ 6,516,644		$ 6,516,644	254,285		$ 254,285	90,050
1835	OH Switches	$ 1,293		$ 1,293	1,094,522		$ 1,094,522	872,638
		$ -			-		$ -	-
1845	UG Primary Cables	$ 7,045,633		$ 7,045,633	1,231,740		$ 1,231,740	839,235
1845	UG Secondary Cables	$ 3,303,315		$ 3,303,315	798,354		$ 798,354	850,224
1845	UG Switchgear	$ 2,737		$ 2,737	562,328		$ 562,328	53,936
1840	Ducts	$ 1,053,498		$ 1,053,498	269,937		$ 269,937	6,985
		$ -		$ -	-		$ -	
		$ -		$ -	-		$ -	
1850	OH Transformers & Voltage Regulators	$ 1,136,470		$ 1,136,470	5,764,094		$ 5,764,094	1,123,945
1850	Transformers incl. grounding system	$ 2,956,742		$ 2,956,742	148,471		$ 148,471	1,491
		$ -			-		$ -	-
1820	DC Service Station	$ 1,090,832		$ 1,090,832	406,129		$ 406,129	16,022
1820	DC Service Station Transformer	$ -		$ -	-		$ -	-
1820	DC Service Stations SwitchGear	$ -		$ -	858,919		$ 858,919	1,837
		$ -			-		$ -	-
1835	Switchgear - Air & Gas	$ 2,320,725		$ 2,320,725	-		$ -	-
1850	UG Transformer	$ 5,264,527		$ 5,264,527	770,399		$ 770,399	835,901
		$ -			-		$ -	-
1860	Industrial/Wholesale meters	$ 1,918,642		$ 1,918,642	46,413		$ 46,413	8,307
1860	Other meters, PTs & CTs	$ 2,864,473		$ 2,864,473	40,661		$ 40,661	33,019
1860	Smart Meters	$ -		$ -	256,922		$ 256,922	284,380
1860	Smart meters -Data Collectors	$ -		$ -	-		$ -	-
		$ -			-		$ -	-
1805	Land	$ 591,341		$ 591,341	980,479		$ 980,479	-
1806	Land Rights	$ 4,738		$ 4,738	-		$ -	-
1806		$ -		$ -	-		$ -	-
1908	Buildings and Fixtures	$ 2,689,156		$ 2,689,156	279,666		$ 279,666	71,249
		$ -		$ -	-		$ -	-
1915	Office Equipment	$ 15,801	$ 12,708	$ 3,093	117,076		$ 117,076	2,677
		$ -		$ -	-		$ -	-
1920	Computer Hardware	$ 46,162		$ 46,162	150,203	$ 46,162	$ 104,041	57,853
1925	Computer Software	$ 189,681		$ 189,681	247,327	$ 61,450	$ 185,877	43,496
		$ -		$ -	-		$ -	-
1930	Bucket Trucks	$ 1,317,372		$ 1,317,372	731,999		$ 731,999	-
1930	Trailers	$ 137,812		$ 137,812	-		$ -	98,504
1930	Vans/Cars	$ 187,303	$ 29,745	$ 157,558	72,450		$ 72,450	76,665
		$ -		$ -	-		$ -	-
1940	Power Tools, shop, garage, measurement testing	$ 218,093	$ 44,328	$ 173,765	254,586		$ 254,586	80,577
1940	Stores Equipment	$ 5,161		$ 5,161	-		$ -	-
		$ -		$ -	-		$ -	-
		$ -		$ -	-		$ -	-
1980	SCADA	$ 696,864		$ 696,864	20,135		$ 20,135	-
1955	Other	$ -		$ -	300		$ 300	-
		$ -		$ -	-		$ -	-
1855	Services	$ 2,477		$ 2,477	391,797		$ 391,797	233,877
		$ -		$ -	-		$ -	-
1955	Communication Equipment, Wireless	$ 15,847		$ 15,847	5,184		$ 5,184	7,256
		$ -		$ -	-		$ -	-
1606	Corporation Costs	$ 192,292		$ 192,292	-		$ -	-
		$ -		$ -	-			
1995	Contributions & Grants	$ -		$ -	-		$ -	-
2440	Deferred Revenue	$ -		$ -	-		$ -	-
	Total	**$ 61,313,456**	**$ 86,781**	**$ 61,226,675**	**$ 24,696,626**	**$ 107,612**	**$ 24,589,014**	**$ 7,528,216**

Table 46 - 2018 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

		Book Values	Service Lives			
Account	Description	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 Rate on New Additions
		g	h	i = 1/h	j	k = 1/j
1830	Poles	1,838,091	49.00	2.04%	50.00	2.00%
1835	OH Conductors	90,050	46.00	2.17%	50.00	2.00%
1835	OH Switches	872,638	34.50	2.90%	40.00	2.50%
		-	-	0.00%	-	0.00%
1845	UG Primary Cables	839,235	36.50	2.74%	40.00	2.50%
1845	UG Secondary Cables	850,224	34.50	2.90%	40.00	2.50%
1845	UG Switchgear	53,936	24.18	4.14%	50.00	2.00%
1840	Ducts	6,985	44.18	2.26%	50.00	2.00%
			-	0.00%	-	0.00%
			-	0.00%	-	0.00%
1850	OH Transformers & Voltage Regulators	1,123,945	40.00	2.50%	40.00	2.50%
1850	Transformers incl. grounding system	1,491	28.85	3.47%	20.00	5.00%
		-	-	0.00%	-	0.00%
1820	DC Service Station	16,022	13.85	7.22%	20.00	5.00%
1820	DC Service Station Transformer	-	-	0.00%	40.00	2.50%
1820	DC Service Stations SwitchGear	1,837	-	0.00%	40.00	2.50%
		-	-	0.00%	-	0.00%
1835	Switchgear - Air & Gas	-	33.85	2.95%	40.00	2.50%
1850	UG Transformer	835,901	36.27	2.76%	40.00	2.50%
		-	-	0.00%	-	0.00%
1860	Industrial/Wholesale meters	8,307	17.10	5.85%	20.00	5.00%
1860	Other meters, PTs & CTs	33,019	44.00	2.27%	45.00	2.22%
1860	Smart Meters	284,380	-	0.00%	15.00	6.67%
1860	Smart meters -Data Collectors	-	-	0.00%	-	0.00%
		-	-	0.00%	-	0.00%
1805	Land	-	-	0.00%	-	0.00%
1806	Land Rights	-	-	0.00%	-	0.00%
1806		-	-	0.00%	-	0.00%
1908	Buildings and Fixtures	71,249	34.00	2.94%	42.00	2.38%
		-	-	0.00%	-	0.00%
1915	Office Equipment	2,677	5.00	20.00%	5.00	20.00%
		-	-	0.00%	-	0.00%
1920	Computer Hardware	57,853	1.50	66.67%	5.00	20.00%
1925	Computer Software	43,496	3.00	33.33%	5.00	20.00%
		-	-	0.00%	-	0.00%
1930	Bucket Trucks	-	12.00	8.33%	12.00	8.33%
1930	Trailers	98,504	11.00	9.09%	15.00	6.67%
1930	Vans/Cars	76,665	7.50	13.33%	8.00	12.50%
		-	-	0.00%	-	0.00%
1940	Power Tools, shop, garage, measurement testing	80,577	7.00	14.29%	10.00	10.00%
1940	Stores Equipment	-	3.00	33.33%	10.00	10.00%
		-	-	0.00%	-	0.00%
		-	-	0.00%	-	0.00%
1980	SCADA	-	13.62	7.34%	20.00	5.00%
1955	Other	-	-	0.00%	-	0.00%
		-	-	0.00%	-	0.00%
1855	Services	233,877	50.00	2.00%	50.00	2.00%
		-	-	0.00%	-	0.00%
1955	Communication Equipment, Wireless	7,256	2.50	40.00%	10.00	10.00%
		-	-	0.00%	-	0.00%
1606	Corporation Costs	-	-	0.00%	-	0.00%
1995	Contributions & Grants	-		0.00%		0.00%
2440	Deferred Revenue	-		0.00%		0.00%
	Total	**$ 7,528,216**				

Table 46 - 2018 MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

Account	Description	Depreciation Expense: Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense: Depreciation Expense on Current Year Additions [5]	Depreciation Expense: Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [6]
		m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1830	Poles	$ 178,845	$ 18,381	$ 595,753	582,052	-$ 13,701
1835	OH Conductors	$ 5,086	$ 900	$ 147,652	152,753	$ 5,100
1835	OH Switches	$ 27,363	$ 10,908	$ 38,308	57,501	$ 19,192
		$ -			-	
1845	UG Primary Cables	$ 30,794	$ 10,490	$ 234,315	259,304	$ 24,989
1845	UG Secondary Cables	$ 19,959	$ 10,628	$ 126,335	119,855	-$ 6,480
1845	UG Switchgear	$ 11,247	$ 539	$ 11,899	11,362	-$ 537
1840	Ducts	$ 5,399	$ 70	$ 29,313	27,112	-$ 2,201
		$ -	$ -	$ -		$ -
		$ -	$ -	$ -		$ -
1850	OH Transformers & Voltage Regulators	$ 144,102	$ 14,049	$ 186,563	139,003	-$ 47,561
1850	Transformers incl. grounding system	$ 7,424	$ 37	$ 109,961	102,164	-$ 7,797
		$ -			-	
1820	DC Service Station	$ 20,306	$ 401	$ 99,489	99,375	-$ 114
1820	DC Service Station Transformer	$ -	$ -	$ -	-	$ -
1820	DC Service Stations SwitchGear	$ 21,473	$ 23	$ 21,496	21,496	$ 0
		$ -			-	
1835	Switchgear - Air & Gas	$ -	$ -	$ 68,567	68,916	$ 349
1850	UG Transformer	$ 19,260	$ 10,449	$ 174,857	169,741	-$ 5,116
		$ -			-	
1860	Industrial/Wholesale meters	$ 2,321	$ 208	$ 114,730	110,230	-$ 4,499
1860	Other meters, PTs & CTs	$ 904	$ 367	$ 66,372	61,825	-$ 4,547
1860	Smart Meters	$ 17,128	$ 9,479	$ 26,607	29,322	$ 2,714
1860	Smart meters -Data Collectors	$ -	$ -	$ -	-	$ -
		$ -			-	
1805	Land	$ -	$ -	$ -	-	$ -
1806	Land Rights	$ -	$ -	$ -	-	$ -
1806		$ -	$ -	$ -	-	$ -
1908	Buildings and Fixtures	$ 6,659	$ 848	$ 86,600	89,017	$ 2,417
		$ -	$ -	$ -	-	$ -
1915	Office Equipment	$ 23,415	$ 268	$ 24,301	24,326	$ 24
		$ -	$ -	$ -	-	$ -
1920	Computer Hardware	$ 20,808	$ 5,785	$ 57,368	54,422	-$ 2,946
1925	Computer Software	$ 37,175	$ 4,350	$ 51,611	51,306	-$ 305
		$ -	$ -	$ -	-	$ -
1930	Bucket Trucks	$ 61,000	$ -	$ 170,781	171,186	$ 406
1930	Trailers	$ -	$ 3,283	$ 15,812	11,691	-$ 4,121
1930	Vans/Cars	$ 9,056	$ 4,792	$ 34,856	33,503	-$ 1,352
		$ -	$ -	$ -	-	$ -
1940	Power Tools, shop, garage, measurement testing	$ 25,459	$ 4,029	$ 54,311	55,216	$ 905
1940	Stores Equipment	$ -	$ -	$ 1,720	-	-$ 1,720
		$ -	$ -	$ -	-	$ -
		$ -	$ -	$ -	-	$ -
1980	SCADA	$ 1,007	$ -	$ 52,189	46,192	-$ 5,997
1955	Other	$ -	$ -	$ -	-	$ -
		$ -	$ -	$ -	-	$ -
1855	Services	$ 7,836	$ 2,339	$ 10,224	26,367	$ 16,143
		$ -	$ -	$ -	-	$ -
1955	Communication Equipment, Wireless	$ 518	$ 363	$ 7,220	1,020	-$ 6,200
		$ -	$ -	$ -	-	$ -
1606	Corporation Costs	$ -	$ -	$ -	-	$ -
1995	Contributions & Grants	$ -	$ -	$ -	-	$ -
2440	Deferred Revenue	$ -	$ -	$ -	-	$ -
	Total	**$ 704,542**	**$ 112,986**	**$ 2,619,212**	**$ 2,576,257**	**-$ 42,955**

Table 47 - 2019 MIFRS – HHHI Version of Appendix 2-C Depreciation and Amortization Expense

		Book Values						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) [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
		a	b	c = a-b	d	e	f = d- e	g
1815	Power Transformers	$ -			-		$ -	3,833,333
1815	Power Transformers	$ -			-		$ -	565,869
1815	Power Transformers	$ -			-		$ -	408,663
1815	Station Service Transformer	$ -			-		$ -	596,047
1815	Station Grounding Transformer	$ -			-		$ -	251,193
1815	Station Metal Clad Switchgear	$ -			-		$ -	2,136,807
1815	Station Independent Breakers	$ -			-		$ -	1,353,416
1815	Station Switch	$ -			-		$ -	709,885
1815	Digital & Numeric Relays	$ -			-		$ -	1,938,787
1815	Rigid Busbars	$ -			-		$ -	798,006
1815	Steel Structure	$ -			-		$ -	2,227,408
1815	Underground Primary Cable	$ -			-		$ -	1,627,038
1815	Concrete Encased Duct Banks	$ -			-		$ -	1,542,574
1815	Remote SCADA	$ -			-		$ -	445,953
1815	Station Building	$ -			-		$ -	3,251,989
1815	Station Building	$ -			-		$ -	285,338
1815	Station Building	$ -			-		$ -	315,382
1815	Station Building	$ -			-		$ -	339,830
1815	Wholesale Energy Meters	$ -			-		$ -	320,208
1815	CT & PT				-		$ -	546,807
1830	Poles	$ 19,527,826		$ 19,527,826	10,780,342		$ 10,780,342	1,289,310
1835	OH Conductors	$ 6,516,644		$ 6,516,644	344,335		$ 344,335	794,390
1835	OH Switches	$ 1,293		$ 1,293	1,967,160		$ 1,967,160	830,780
		$ -			-		$ -	-
1845	UG Primary Cables	$ 7,045,633		$ 7,045,633	2,070,976		$ 2,070,976	893,479
1845	UG Secondary Cables	$ 3,303,315		$ 3,303,315	1,648,578		$ 1,648,578	326,319
1845	UG Switchgear	$ 2,737		$ 2,737	616,264		$ 616,264	-
1840	Ducts	$ 1,053,498		$ 1,053,498	276,922		$ 276,922	186,912
		$ -		$ -	-		$ -	
		$ -		$ -	-		$ -	
1850	OH Transformers & Voltage Regulators	$ 1,136,470		$ 1,136,470	6,888,039		$ 6,888,039	248,257
1850	Transformers incl. grounding system	$ 2,956,742		$ 2,956,742	149,962		$ 149,962	8,389
		$ -			-		$ -	-
1820	DC Service Station	$ 1,090,832		$ 1,090,832	422,151		$ 422,151	2,568
1820	DC Service Station Transformer	$ -		$ -	-		$ -	595,633
1820	DC Service Stations SwitchGear	$ -		$ -	860,757		$ 860,757	-
		$ -			-		$ -	-
1835	Switchgear - Air & Gas	$ 2,320,725		$ 2,320,725	-		$ -	-
1850	UG Transformer	$ 5,264,527		$ 5,264,527	1,606,300		$ 1,606,300	960,538
		$ -			-		$ -	-
1860	Industrial/Wholesale meters	$ 1,918,642		$ 1,918,642	54,720		$ 54,720	-
1860	Other meters, PTs & CTs	$ 2,864,473		$ 2,864,473	73,680		$ 73,680	8,552
1860	Smart Meters	$ -		$ -	541,302		$ 541,302	629,761
1860	Smart meters -Data Collectors	$ -		$ -	-		$ -	-
		$ -			-		$ -	-
1805	Land	$ 591,341		$ 591,341	980,479		$ 980,479	-
1806	Land Rights	$ 4,738		$ 4,738	-		$ -	-
1806		$ -		$ -	-		$ -	-
1908	Buildings and Fixtures	$ 2,689,156		$ 2,689,156	350,915		$ 350,915	100,493
		$ -		$ -	-		$ -	-
1915	Office Equipment	$ 3,093		$ 3,093	119,753		$ 119,753	472
		$ -		$ -	-		$ -	-
1920	Computer Hardware	$ 46,162	$ -	$ 46,162	161,894	$ 76,653	$ 85,241	79,105
1925	Computer Software	$ 189,681	$ -	$ 189,681	229,373	$ 61,450	$ 167,923	179,320
		$ -		$ -	-		$ -	-
1930	Bucket Trucks	$ 1,317,372		$ 1,317,372	731,999		$ 731,999	-
1930	Trailers	$ 137,812		$ 137,812	98,504		$ 98,504	-
1930	Vans/Cars	$ 157,558	$ 43,703	$ 113,855	149,115		$ 149,115	92,120
		$ -		$ -	-		$ -	-
1940	Power Tools, shop, garage, measurement testing	$ 173,765		$ 173,765	335,163		$ 335,163	36,069
1940	Stores Equipment	$ 5,161		$ 5,161	-		$ -	-
		$ -		$ -	-		$ -	-
		$ -		$ -	-		$ -	-
1980	SCADA	$ 696,864		$ 696,864	20,135		$ 20,135	-
1955	Other	$ -		$ -	300		$ 300	-
		$ -		$ -	-		$ -	-
1855	Services	$ 2,477		$ 2,477	625,674		$ 625,674	168,461
		$ -		$ -	-		$ -	-
1955	Communication Equipment, Wireless	$ 15,847		$ 15,847	12,440		$ 12,440	26,724
		$ -		$ -	-		$ -	-
1606	Corporation Costs	$ 192,292		$ 192,292	-		$ -	-
		$ -		$ -	-			
1995	Contributions & Grants	$ -		$ -	-		$ -	-
2440	Deferred Revenue	$ -		$ -	-		$ -	-
	Total	**$ 61,226,675**	**$ 43,703**	**$ 61,182,972**	**$ 32,117,230**	**$ 138,103**	**$ 31,979,127**	**$ 30,952,185**

Table 47 - 2019 MIFRS – HHHI Version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

		Service Lives			
Account	Description	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 Rate on New Additions
		h	i = 1/h	j	k = 1/j
1815	Power Transformers	-		35.00	2.86%
1815	Power Transformers	-		20.00	5.00%
1815	Power Transformers	-		20.00	5.00%
1815	Station Service Transformer	-		45.00	2.22%
1815	Station Grounding Transformer	-		40.00	2.50%
1815	Station Metal Clad Switchgear	-		50.00	2.00%
1815	Station Independent Breakers	-		45.00	2.22%
1815	Station Switch	-		50.00	2.00%
1815	Digital & Numeric Relays	-		20.00	5.00%
1815	Rigid Busbars	-		55.00	1.82%
1815	Steel Structure	-		50.00	2.00%
1815	Underground Primary Cable	-		40.00	2.50%
1815	Concrete Encased Duct Banks	-		55.00	1.82%
1815	Remote SCADA	-		15.00	6.67%
1815	Station Building	-		50.00	2.00%
1815	Station Building	-		25.00	4.00%
1815	Station Building	-		35.00	2.86%
1815	Station Building	-		20.00	5.00%
1815	Wholesale Energy Meters	-		20.00	5.00%
1815	CT & PT	-		45.00	2.22%
1830	Poles	49.00	2.04%	50.00	2.00%
1835	OH Conductors	44.50	2.25%	50.00	2.00%
1835	OH Switches	34.50	2.90%	40.00	2.50%
		-	0.00%	-	0.00%
1845	UG Primary Cables	36.50	2.74%	40.00	2.50%
1845	UG Secondary Cables	34.50	2.90%	40.00	2.50%
1845	UG Switchgear	24.18	4.14%	50.00	2.00%
1840	Ducts	44.18	2.26%	50.00	2.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1850	OH Transformers & Voltage Regulators	40.00	2.50%	40.00	2.50%
1850	Transformers incl. grounding system	28.85	3.47%	20.00	5.00%
		-	0.00%	-	0.00%
1820	DC Service Station	13.85	7.22%	20.00	5.00%
1820	DC Service Station Transformer	-	0.00%	40.00	2.50%
1820	DC Service Stations SwitchGear	-	0.00%	40.00	2.50%
		-	0.00%	-	0.00%
1835	Switchgear - Air & Gas	33.85	2.95%	40.00	2.50%
1850	UG Transformer	36.27	2.76%	40.00	2.50%
		-	0.00%	-	0.00%
1860	Industrial/Wholesale meters	17.10	5.85%	20.00	5.00%
1860	Other meters, PTs & CTs	44.00	2.27%	45.00	2.22%
1860	Smart Meters	-	0.00%	15.00	6.67%
1860	Smart meters -Data Collectors	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1805	Land	-	0.00%	-	0.00%
1806	Land Rights	-	0.00%	-	0.00%
1806		-	0.00%	-	0.00%
1908	Buildings and Fixtures	34.00	2.94%	42.00	2.38%
		-	0.00%	-	0.00%
1915	Office Equipment	5.00	20.00%	5.00	20.00%
		-	0.00%	-	0.00%
1920	Computer Hardware	1.50	66.67%	5.00	20.00%
1925	Computer Software	3.00	33.33%	5.00	20.00%
		-	0.00%	-	0.00%
1930	Bucket Trucks	12.00	8.33%	12.00	8.33%
1930	Trailers	11.00	9.09%	15.00	6.67%
1930	Vans/Cars	7.50	13.33%	8.00	12.50%
		-	0.00%	-	0.00%
1940	Power Tools, shop, garage, measurement testing	7.00	14.29%	10.00	10.00%
1940	Stores Equipment	3.00	33.33%	10.00	10.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1980	SCADA	13.62	7.34%	20.00	5.00%
1955	Other	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1855	Services	50.00	2.00%	50.00	2.00%
		-	0.00%	-	0.00%
1955	Communication Equipment, Wireless	2.50	40.00%	10.00	10.00%
		-	0.00%	-	0.00%
1606	Corporation Costs	-	0.00%	-	0.00%
1995	Contributions & Grants		0.00%		0.00%
2440	Deferred Revenue		0.00%		0.00%
	Total				

Table 47 - 2019 MIFRS – HHHI Version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

Account	Description	Depreciation Expense: Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense: Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense: Depreciation Expense on Current Year Additions [5]	Depreciation Expense: Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [6]
		l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1815	Power Transformers	$ -	$ -	$ 54,762	$ 54,762	54,762	$ -
1815	Power Transformers	$ -	$ -	$ 14,147	$ 14,147	14,147	$ -
1815	Power Transformers	$ -	$ -	$ 10,217	$ 10,217	10,217	$ -
1815	Station Service Transformer	$ -	$ -	$ 6,623	$ 6,623	6,623	$ -
1815	Station Grounding Transformer	$ -	$ -	$ 3,140	$ 3,140	3,140	$ -
1815	Station Metal Clad Switchgear	$ -	$ -	$ 21,368	$ 21,368	21,368	$ -
1815	Station Independent Breakers	$ -	$ -	$ 15,038	$ 15,038	15,038	$ -
1815	Station Switch	$ -	$ -	$ 7,099	$ 7,099	7,099	$ -
1815	Digital & Numeric Relays	$ -	$ -	$ 48,470	$ 48,470	48,470	$ -
1815	Rigid Busbars	$ -	$ -	$ 7,255	$ 7,255	7,255	$ -
1815	Steel Structure	$ -	$ -	$ 22,274	$ 22,274	22,274	$ -
1815	Underground Primary Cable	$ -	$ -	$ 20,338	$ 20,338	20,338	$ -
1815	Concrete Encased Duct Banks	$ -	$ -	$ 14,023	$ 14,023	14,023	$ -
1815	Remote SCADA	$ -	$ -	$ 14,865	$ 14,865	14,865	$ -
1815	Station Building	$ -	$ -	$ 32,520	$ 32,520	32,520	$ -
1815	Station Building	$ -	$ -	$ 5,707	$ 5,707	5,707	$ -
1815	Station Building	$ -	$ -	$ 4,505	$ 4,505	4,505	$ -
1815	Station Building	$ -	$ -	$ 8,496	$ 8,496	8,496	$ -
1815	Wholesale Energy Meters	$ -	$ -	$ 8,005	$ 8,005	8,005	$ -
1815	CT & PT	$ -	$ -	$ 6,076	$ 6,076	6,076	$ -
1830	Poles	$ 398,527	$ 215,607	$ 12,893	$ 627,027	614,182	-$ 12,845
1835	OH Conductors	$ 146,441	$ 6,887	$ 7,944	$ 161,272	161,547	$ 275
1835	OH Switches	$ 37	$ 49,179	$ 10,385	$ 59,601	79,136	$ 19,534
			$ -			-	
1845	UG Primary Cables	$ 193,031	$ 51,774	$ 11,168	$ 255,974	281,515	$ 25,541
1845	UG Secondary Cables	$ 95,748	$ 41,214	$ 4,079	$ 141,042	135,118	-$ 5,924
1845	UG Switchgear	$ 113	$ 12,325	$ -	$ 12,438	11,926	-$ 513
1840	Ducts	$ 23,845	$ 5,538	$ 1,869	$ 31,252	29,052	-$ 2,200
		$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1850	OH Transformers & Voltage Regulators	$ 28,412	$ 172,201	$ 3,103	$ 203,716	159,763	-$ 43,953
1850	Transformers incl. grounding system	$ 102,500	$ 7,498	$ 210	$ 110,208	102,411	-$ 7,797
			$ -			-	
1820	DC Service Station	$ 78,782	$ 21,108	$ 64	$ 99,954	99,840	-$ 114
1820	DC Service Station Transformer	$ -	$ -	$ 7,445	$ 7,445	7,445	-$ 0
1820	DC Service Stations SwitchGear	$ -	$ 21,519	$ -	$ 21,519	21,519	$ 0
			$ -			-	
1835	Switchgear - Air & Gas	$ 68,567	$ -	$ -	$ 68,567	68,916	$ 349
1850	UG Transformer	$ 145,148	$ 40,158	$ 12,007	$ 197,312	191,895	-$ 5,418
			$ -			-	
1860	Industrial/Wholesale meters	$ 112,201	$ 2,736	$ -	$ 114,937	110,444	-$ 4,493
1860	Other meters, PTs & CTs	$ 65,102	$ 1,637	$ 95	$ 66,834	62,298	-$ 4,536
1860	Smart Meters	$ -	$ 36,087	$ 20,992	$ 57,079	59,793	$ 2,714
1860	Smart meters -Data Collectors	$ -	$ -	$ -	$ -	-	$ -
			$ -			-	
1805	Land	$ -	$ -	$ -	$ -	-	$ -
1806	Land Rights	$ -	$ -	$ -	$ -	-	$ -
1806		$ -	$ -	$ -	$ -	-	$ -
1908	Buildings and Fixtures	$ 79,093	$ 8,355	$ 1,196	$ 88,644	91,062	$ 2,417
		$ -	$ -	$ -	$ -	-	$ -
1915	Office Equipment	$ 619	$ 23,951	$ 47	$ 24,616	24,355	-$ 261
		$ -	$ -	$ -	$ -	-	$ -
1920	Computer Hardware	$ 30,775	$ 17,048	$ 7,910	$ 55,734	55,828	$ 95
1925	Computer Software	$ -	$ 33,585	$ 17,932	$ 51,517	51,211	-$ 305
		$ -	$ -	$ -	$ -	-	$ -
1930	Bucket Trucks	$ 109,781	$ 61,000	$ -	$ 170,781	166,041	-$ 4,740
1930	Trailers	$ 12,528	$ 6,567	$ -	$ 19,095	14,974	-$ 4,121
1930	Vans/Cars	$ 15,181	$ 18,639	$ 5,758	$ 39,578	38,446	-$ 1,132
		$ -	$ -	$ -	$ -	-	$ -
1940	Power Tools, shop, garage, measurement testing	$ 24,824	$ 33,516	$ 1,803	$ 60,143	58,439	-$ 1,705
1940	Stores Equipment	$ 1,720	$ -	$ -	$ 1,720	-	-$ 1,720
		$ -	$ -	$ -	$ -	-	$ -
		$ -	$ -	$ -	$ -	-	$ -
1980	SCADA	$ 51,182	$ 1,007	$ -	$ 52,189	46,192	-$ 5,997
1955	Other	$ -	$ -	$ -	$ -	-	$ -
		$ -	$ -	$ -	$ -	-	$ -
1855	Services	$ 50	$ 12,513	$ 1,685	$ 14,248	30,390	$ 16,143
		$ -	$ -	$ -	$ -	-	$ -
1955	Communication Equipment, Wireless	$ 6,339	$ 1,244	$ 1,336	$ 8,919	2,511	-$ 6,408
		$ -	$ -	$ -	$ -	-	$ -
1606	Corporation Costs	$ -	$ -	$ -	$ -	-	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -	-	$ -
2440	Deferred Revenue	$ -	$ -	$ -	$ -		$ -
	Total	$ 1,790,546	$ 902,893	$ 454,849	$ 3,148,288	$ 3,101,176	-$ 47,113

Table 48 - 2020 Bridge Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense

		Book Values						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) [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
		a	b	c = a-b	d	e	f = d- e	g
1815	Power Transformers	$ -			3,833,333		$ 3,833,333	
1815	Power Transformers	$ -			565,869		$ 565,869	
1815	Power Transformers	$ -			408,663		$ 408,663	
1815	Station Service Transformer	$ -			596,047		$ 596,047	
1815	Station Grounding Transformer	$ -			251,193		$ 251,193	
1815	Station Metal Clad Switchgear	$ -			2,136,807		$ 2,136,807	
1815	Station Independent Breakers	$ -			1,353,416		$ 1,353,416	
1815	Station Switch	$ -			709,885		$ 709,885	
1815	Digital & Numeric Relays	$ -			1,938,787		$ 1,938,787	
1815	Rigid Busbars	$ -			798,006		$ 798,006	
1815	Steel Structure	$ -			2,227,408		$ 2,227,408	
1815	Underground Primary Cable	$ -			1,627,038		$ 1,627,038	
1815	Concrete Encased Duct Banks	$ -			1,542,574		$ 1,542,574	
1815	Remote SCADA	$ -			445,953		$ 445,953	
1815	Station Building	$ -			3,251,989		$ 3,251,989	
1815	Station Building	$ -			285,338		$ 285,338	
1815	Station Building	$ -			315,382		$ 315,382	
1815	Station Building	$ -			339,830		$ 339,830	
1815	Wholesale Energy Meters	$ -			320,208		$ 320,208	
1815	CT & PT				546,807		$ 546,807	
1830	Poles	$ 19,527,826		$ 19,527,826	12,069,652		$ 12,069,652	2,207,212
1835	OH Conductors	$ 6,516,644		$ 6,516,644	1,138,726		$ 1,138,726	551,889
1835	OH Switches	$ 1,293		$ 1,293	2,797,940		$ 2,797,940	410,470
		$ -			-		$ -	
1845	UG Primary Cables	$ 7,045,633		$ 7,045,633	2,964,454		$ 2,964,454	266,562
1845	UG Secondary Cables	$ 3,303,315		$ 3,303,315	1,974,897		$ 1,974,897	270,269
1845	UG Switchgear	$ 2,737		$ 2,737	616,264		$ 616,264	
1840	Ducts	$ 1,053,498		$ 1,053,498	463,834		$ 463,834	514,441
		$ -		$ -	-		$ -	
		$ -		$ -	-		$ -	
1850	OH Transformers & Voltage Regulators	$ 1,136,470		$ 1,136,470	7,136,296		$ 7,136,296	473,502
1850	Transformers incl. grounding system	$ 2,956,742		$ 2,956,742	158,351		$ 158,351	
		$ -			-		$ -	
1820	DC Service Station	$ 1,090,832		$ 1,090,832	424,718		$ 424,718	209,259
1820	DC Service Station Transformer	$ -		$ -	595,633		$ 595,633	
1820	DC Service Stations SwitchGear	$ -		$ -	860,757		$ 860,757	
		$ -			-		$ -	
1835	Switchgear - Air & Gas	$ 2,320,725		$ 2,320,725	-		$ -	
1850	UG Transformer	$ 5,264,527		$ 5,264,527	2,566,838		$ 2,566,838	155,802
		$ -			-		$ -	
1860	Industrial/Wholesale meters	$ 1,918,642		$ 1,918,642	54,720		$ 54,720	228,019
1860	Other meters, PTs & CTs	$ 2,864,473		$ 2,864,473	82,232		$ 82,232	93,122
1860	Smart Meters	$ -		$ -	1,171,062		$ 1,171,062	210,055
1860	Smart meters -Data Collectors	$ -		$ -	-		$ -	
		$ -			-		$ -	
1805	Land	$ 591,341		$ 591,341	980,479		$ 980,479	
1806	Land Rights	$ 4,738		$ 4,738	-		$ -	
1806		$ -		$ -	-		$ -	
1908	Buildings and Fixtures	$ 2,689,156		$ 2,689,156	451,408		$ 451,408	
		$ -		$ -	-		$ -	
1915	Office Equipment	$ 3,093	$ 3,093	-$ 0	120,225	$ 47,583	$ 72,643	
		$ -		$ -	-		$ -	
1920	Computer Hardware	$ 46,162		$ 46,162	164,346	$ 24,472	$ 139,874	204,395
1925	Computer Software	$ 189,681		$ 189,681	347,243	$ -	$ 347,243	126,895
		$ -		$ -	-		$ -	
1930	Bucket Trucks	$ 1,317,372		$ 1,317,372	731,999		$ 731,999	360,498
1930	Trailers	$ 137,812		$ 137,812	98,504		$ 98,504	
1930	Vans/Cars	$ 113,855		$ 113,855	241,235		$ 241,235	
		$ -		$ -	-		$ -	
1940	Power Tools, shop, garage, measurement testing	$ 173,765		$ 173,765	371,232		$ 371,232	40,000
1940	Stores Equipment	$ 5,161		$ 5,161	-		$ -	
		$ -		$ -	-		$ -	
		$ -		$ -	-		$ -	
1980	SCADA	$ 696,864		$ 696,864	20,135		$ 20,135	
1955	Other	$ -		$ -	300		$ 300	
		$ -		$ -	-		$ -	
1855	Services	$ 2,477		$ 2,477	794,136		$ 794,136	508,311
		$ -		$ -	-		$ -	
1955	Communication Equipment, Wireless	$ 15,847		$ 15,847	39,164		$ 39,164	
		$ -		$ -	-		$ -	
1606	Corporation Costs	$ 192,292		$ 192,292	-		$ -	
		$ -		$ -	-			
1995	Contributions & Grants	$ -		$ -	-		$ -	
2440	Deferred Revenue	$ -		$ -	-		$ -	
	Total	**$ 61,182,972**	**$ 3,093**	**$ 61,179,879**	**$ 62,931,312**	**$ 72,055**	**$ 62,859,257**	**$ 6,830,700**

Table 48 - 2020 Bridge Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

		Service Lives			
Account	Description	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 Rate on New Additions
		h	i = 1/h	j	k = 1/j
1815	Power Transformers	-		35.00	2.86%
1815	Power Transformers	-		20.00	5.00%
1815	Power Transformers	-		20.00	5.00%
1815	Station Service Transformer	-		45.00	2.22%
1815	Station Grounding Transformer	-		40.00	2.50%
1815	Station Metal Clad Switchgear	-		50.00	2.00%
1815	Station Independent Breakers	-		45.00	2.22%
1815	Station Switch	-		50.00	2.00%
1815	Digital & Numeric Relays	-		20.00	5.00%
1815	Rigid Busbars	-		55.00	1.82%
1815	Steel Structure	-		50.00	2.00%
1815	Underground Primary Cable	-		40.00	2.50%
1815	Concrete Encased Duct Banks	-		55.00	1.82%
1815	Remote SCADA	-		15.00	6.67%
1815	Station Building	-		50.00	2.00%
1815	Station Building	-		25.00	4.00%
1815	Station Building	-		35.00	2.86%
1815	Station Building	-		20.00	5.00%
1815	Wholesale Energy Meters	-		20.00	5.00%
1815	CT & PT	-		45.00	2.22%
1830	Poles	49.00	2.04%	50.00	2.00%
1835	OH Conductors	44.50	2.25%	50.00	2.00%
1835	OH Switches	34.50	2.90%	40.00	2.50%
		-	0.00%	-	0.00%
1845	UG Primary Cables	36.50	2.74%	40.00	2.50%
1845	UG Secondary Cables	34.50	2.90%	40.00	2.50%
1845	UG Switchgear	24.18	4.14%	50.00	2.00%
1840	Ducts	44.18	2.26%	50.00	2.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1850	OH Transformers & Voltage Regulators	40.00	2.50%	40.00	2.50%
1850	Transformers incl. grounding system	28.85	3.47%	20.00	5.00%
		-	0.00%	-	0.00%
1820	DC Service Station	13.85	7.22%	20.00	5.00%
1820	DC Service Station Transformer	-	0.00%	40.00	2.50%
1820	DC Service Stations SwitchGear	-	0.00%	40.00	2.50%
		-	0.00%	-	0.00%
1835	Switchgear - Air & Gas	33.85	2.95%	40.00	2.50%
1850	UG Transformer	36.27	2.76%	40.00	2.50%
		-	0.00%	-	0.00%
1860	Industrial/Wholesale meters	17.10	5.85%	20.00	5.00%
1860	Other meters, PTs & CTs	44.00	2.27%	45.00	2.22%
1860	Smart Meters	-	0.00%	15.00	6.67%
1860	Smart meters -Data Collectors	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1805	Land	-	0.00%	-	0.00%
1806	Land Rights	-	0.00%	-	0.00%
1806		-	0.00%	-	0.00%
1908	Buildings and Fixtures	34.00	2.94%	42.00	2.38%
		-	0.00%	-	0.00%
1915	Office Equipment	5.00	20.00%	5.00	20.00%
		-	0.00%	-	0.00%
1920	Computer Hardware	1.50	66.67%	5.00	20.00%
1925	Computer Software	3.00	33.33%	5.00	20.00%
		-	0.00%	-	0.00%
1930	Bucket Trucks	10.50	9.52%	12.00	8.33%
1930	Trailers	11.00	9.09%	15.00	6.67%
1930	Vans/Cars	7.50	13.33%	8.00	12.50%
		-	0.00%	-	0.00%
1940	Power Tools, shop, garage, measurement testing	7.00	14.29%	10.00	10.00%
1940	Stores Equipment	3.00	33.33%	10.00	10.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1980	SCADA	13.62	7.34%	20.00	5.00%
1955	Other	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1855	Services	50.00	2.00%	50.00	2.00%
		-	0.00%	-	0.00%
1955	Communication Equipment, Wireless	2.50	40.00%	10.00	10.00%
		-	0.00%	-	0.00%
1606	Corporation Costs	-	0.00%	-	0.00%
1995	Contributions & Grants		0.00%		0.00%
2440	Deferred Revenue		0.00%		0.00%
	Total				

Table 48 - 2020 Bridge Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

Account	Description	Depreciation Expense: Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense: Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense: Depreciation Expense on Current Year Additions [5]	Depreciation Expense: Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [6]
		l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1815	Power Transformers	$ -	$ 109,524	$ -	$ 109,524	109,520	-$ 4
1815	Power Transformers	$ -	$ 28,293	$ -	$ 28,293	28,293	$ -
1815	Power Transformers	$ -	$ 20,433	$ -	$ 20,433	20,433	$ -
1815	Station Service Transformer	$ -	$ 13,245	$ -	$ 13,245	13,245	$ -
1815	Station Grounding Transformer	$ -	$ 6,280	$ -	$ 6,280	6,280	$ -
1815	Station Metal Clad Switchgear	$ -	$ 42,736	$ -	$ 42,736	42,736	$ -
1815	Station Independent Breakers	$ -	$ 30,076	$ -	$ 30,076	30,076	$ -
1815	Station Switch	$ -	$ 14,198	$ -	$ 14,198	14,198	$ -
1815	Digital & Numeric Relays	$ -	$ 96,939	$ -	$ 96,939	96,939	$ -
1815	Rigid Busbars	$ -	$ 14,509	$ -	$ 14,509	14,509	$ -
1815	Steel Structure	$ -	$ 44,548	$ -	$ 44,548	44,548	$ -
1815	Underground Primary Cable	$ -	$ 40,676	$ -	$ 40,676	40,676	$ -
1815	Concrete Encased Duct Banks	$ -	$ 28,047	$ -	$ 28,047	28,047	$ -
1815	Remote SCADA	$ -	$ 29,730	$ -	$ 29,730	29,730	$ -
1815	Station Building	$ -	$ 65,040	$ -	$ 65,040	65,040	$ -
1815	Station Building	$ -	$ 11,414	$ -	$ 11,414	11,414	$ -
1815	Station Building	$ -	$ 9,011	$ -	$ 9,011	9,011	$ -
1815	Station Building	$ -	$ 16,992	$ -	$ 16,992	16,992	$ -
1815	Wholesale Energy Meters	$ -	$ 16,010	$ -	$ 16,010	16,010	$ -
1815	CT & PT	$ -	$ 12,151	$ -	$ 12,151	12,151	$ -
1830	Poles	$ 398,527	$ 241,393	$ 22,072	$ 661,992	650,019	-$ 11,973
1835	OH Conductors	$ 146,441	$ 22,775	$ 5,519	$ 174,735	175,391	$ 656
1835	OH Switches	$ 37	$ 69,949	$ 5,131	$ 75,117	94,651	$ 19,534
			$ -				
1845	UG Primary Cables	$ 193,031	$ 74,111	$ 3,332	$ 270,474	296,492	$ 26,018
1845	UG Secondary Cables	$ 95,748	$ 49,372	$ 3,378	$ 148,499	142,818	-$ 5,681
1845	UG Switchgear	$ 113	$ 12,325	$ -	$ 12,438	11,928	-$ 510
1840	Ducts	$ 23,845	$ 9,277	$ 5,144	$ 38,266	31,659	-$ 6,606
		$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1850	OH Transformers & Voltage Regulators	$ 28,412	$ 178,407	$ 5,919	$ 212,738	171,879	-$ 40,859
1850	Transformers incl. grounding system	$ 102,500	$ 7,918	$ -	$ 110,418	102,900	-$ 7,518
			$ -				
1820	DC Service Station	$ 78,782	$ 21,236	$ 5,231	$ 105,250	105,179	-$ 70
1820	DC Service Station Transformer	$ -	$ 14,891	$ -	$ 14,891	14,892	$ 1
1820	DC Service Stations SwitchGear	$ -	$ 21,519	$ -	$ 21,519	21,516	-$ 3
			$ -				
1835	Switchgear - Air & Gas	$ 68,567	$ -	$ -	$ 68,567	69,108	$ 541
1850	UG Transformer	$ 145,148	$ 64,171	$ 1,948	$ 211,267	205,300	-$ 5,967
			$ -				
1860	Industrial/Wholesale meters	$ 112,201	$ 2,736	$ 5,700	$ 120,638	116,436	-$ 4,201
1860	Other meters, PTs & CTs	$ 65,102	$ 1,827	$ 1,035	$ 67,964	63,591	-$ 4,373
1860	Smart Meters	$ -	$ 78,071	$ 7,002	$ 85,073	87,786	$ 2,713
1860	Smart meters -Data Collectors	$ -	$ -	$ -	$ -		$ -
			$ -				
1805	Land	$ -	$ -	$ -	$ -	-	$ -
1806	Land Rights	$ -	$ -	$ -	$ -	-	$ -
1806		$ -	$ -	$ -	$ -	-	$ -
1908	Buildings and Fixtures	$ 79,093	$ 10,748	$ -	$ 89,841	92,484	$ 2,643
		$ -	$ -	$ -	$ -		$ -
1915	Office Equipment	-$ 0	$ 14,529	$ -	$ 14,528	18,877	$ 4,349
		$ -	$ -	$ -	$ -		$ -
1920	Computer Hardware	$ 23,775	$ 27,975	$ 20,440	$ 72,189	71,884	-$ 306
1925	Computer Software	$ -	$ 69,449	$ 12,690	$ 82,138	81,834	-$ 305
		$ -	$ -	$ -	$ -		$ -
1930	Bucket Trucks	$ 125,464	$ 61,000	$ 15,021	$ 201,485	205,773	$ 4,288
1930	Trailers	$ 12,528	$ 6,567	$ -	$ 19,095	15,000	-$ 4,095
1930	Vans/Cars	$ 15,181	$ 30,154	$ -	$ 45,335	47,484	$ 2,149
		$ -	$ -	$ -	$ -		$ -
1940	Power Tools, shop, garage, measurement testing	$ 24,824	$ 37,123	$ 2,000	$ 63,947	60,956	-$ 2,991
1940	Stores Equipment	$ 1,720	$ -	$ -	$ 1,720		-$ 1,720
		$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1980	SCADA	$ 51,182	$ 1,007	$ -	$ 52,189	46,296	-$ 5,893
1955	Other	$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1855	Services	$ 50	$ 15,883	$ 5,083	$ 21,015	37,159	$ 16,144
		$ -	$ -	$ -	$ -		$ -
1955	Communication Equipment, Wireless	$ 6,339	$ 3,916	$ -	$ 10,255	3,852	-$ 6,403
		$ -	$ -	$ -	$ -		$ -
1606	Corporation Costs	$ -	$ -	$ -	$ -		$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -		$ -
2440	Deferred Revenue	$ -	$ -	$ -	$ -		$ -
	Total	$ 1,798,611	$ 1,798,180	$ 126,644	$ 3,723,435	$ 3,692,992	-$ 30,443

Table 49 - 2021 Test Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense

		Book Values						
Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1) [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
		a	b	c = a-b	d	e	f = d- e	g
1815	Power Transformers	$ -			3,833,333		$ 3,833,333	
1815	Power Transformers	$ -			565,869		$ 565,869	
1815	Power Transformers	$ -			408,663		$ 408,663	
1815	Station Service Transformer	$ -			596,047		$ 596,047	
1815	Station Grounding Transformer	$ -			251,193		$ 251,193	
1815	Station Metal Clad Switchgear	$ -			2,136,807		$ 2,136,807	
1815	Station Independent Breakers	$ -			1,353,416		$ 1,353,416	
1815	Station Switch	$ -			709,885		$ 709,885	
1815	Digital & Numeric Relays	$ -			1,938,787		$ 1,938,787	
1815	Rigid Busbars	$ -			798,006		$ 798,006	
1815	Steel Structure	$ -			2,227,408		$ 2,227,408	
1815	Underground Primary Cable	$ -			1,627,038		$ 1,627,038	
1815	Concrete Encased Duct Banks	$ -			1,542,574		$ 1,542,574	
1815	Remote SCADA	$ -			445,953		$ 445,953	
1815	Station Building	$ -			3,251,989		$ 3,251,989	
1815	Station Building	$ -			285,338		$ 285,338	
1815	Station Building	$ -			315,382		$ 315,382	
1815	Station Building	$ -			339,830		$ 339,830	
1815	Wholesale Energy Meters	$ -			320,208		$ 320,208	
1815	CT & PT				546,807		$ 546,807	
					-			
1830	Poles	$ 19,527,826		$ 19,527,826	14,276,864		$ 14,276,864	1,751,439
1835	OH Conductors	$ 6,516,644		$ 6,516,644	1,690,614		$ 1,690,614	388,282
1835	OH Switches	$ 1,293		$ 1,293	3,208,410		$ 3,208,410	408,890
		$ -			-		$ -	
1845	UG Primary Cables	$ 7,045,633		$ 7,045,633	3,231,016		$ 3,231,016	485,427
1845	UG Secondary Cables	$ 3,303,315		$ 3,303,315	2,245,166		$ 2,245,166	239,673
1845	UG Switchgear	$ 2,737		$ 2,737	616,264		$ 616,264	-
1840	Ducts	$ 1,053,498		$ 1,053,498	978,275		$ 978,275	417,830
		$ -		$ -	-		$ -	
		$ -		$ -	-		$ -	
1850	OH Transformers & Voltage Regulators	$ 1,136,470		$ 1,136,470	7,609,799		$ 7,609,799	435,213
1850	Transformers incl. grounding system	$ 2,956,742		$ 2,956,742	158,351		$ 158,351	320,622
		$ -			-		$ -	
1820	DC Service Station	$ 1,090,832		$ 1,090,832	633,977		$ 633,977	27,628
1820	DC Service Station Transformer	$ -		$ -	595,633		$ 595,633	601,580
1820	DC Service Stations SwitchGear	$ -		$ -	860,757		$ 860,757	13,817
		$ -			-		$ -	
1835	Switchgear - Air & Gas	$ 2,320,725		$ 2,320,725	-		$ -	
1850	UG Transformer	$ 5,264,527		$ 5,264,527	2,722,640		$ 2,722,640	139,947
		$ -			-		$ -	
1860	Industrial/Wholesale meters	$ 1,918,642		$ 1,918,642	282,739		$ 282,739	251,025
1860	Other meters, PTs & CTs	$ 2,864,473		$ 2,864,473	175,354		$ 175,354	
1860	Smart Meters	$ -		$ -	1,381,117		$ 1,381,117	75,921
1860	Smart meters -Data Collectors	$ -		$ -	-		$ -	
		$ -			-		$ -	
1805	Land	$ 591,341		$ 591,341	980,479		$ 980,479	
1806	Land Rights	$ 4,738		$ 4,738	-		$ -	
1806		$ -		$ -	-		$ -	
1908	Buildings and Fixtures	$ 2,689,156		$ 2,689,156	451,408		$ 451,408	60,000
		$ -		$ -	-		$ -	
1915	Office Equipment	-$ 0		-$ 0	72,643	$ 72,643	-$ 0	10,000
		$ -		$ -	-		$ -	
1920	Computer Hardware	$ 46,162		$ 46,162	344,269	$ 24,472	$ 319,797	151,000
1925	Computer Software	$ 189,681		$ 189,681	474,138	$ -	$ 474,138	32,000
		$ -		$ -	-		$ -	
1930	Bucket Trucks	$ 1,317,372		$ 1,317,372	1,092,497		$ 1,092,497	450,000
1930	Trailers	$ 137,812		$ 137,812	98,504		$ 98,504	-
1930	Vans/Cars	$ 113,855		$ 113,855	241,235		$ 241,235	45,000
		$ -		$ -	-		$ -	
1940	Power Tools, shop, garage, measurement testing	$ 173,765		$ 173,765	411,232		$ 411,232	30,000
1940	Stores Equipment	$ 5,161		$ 5,161	-		$ -	
		$ -		$ -	-		$ -	
		$ -		$ -	-		$ -	
1980	SCADA	$ 696,864		$ 696,864	20,135		$ 20,135	-
1955	Other	$ -		$ -	300		$ 300	
		$ -		$ -	-		$ -	
1855	Services	$ 2,477		$ 2,477	1,302,447		$ 1,302,447	216,646
		$ -		$ -	-		$ -	
1955	Communication Equipment, Wireless	$ 15,847		$ 15,847	39,164		$ 39,164	50,058
		$ -		$ -	-		$ -	
1606	Corporation Costs	$ 192,292		$ 192,292	-		$ -	
		$ -		$ -	-			
1995	Contributions & Grants	$ -		$ -	-		$ -	
2440	Deferred Revenue	$ -		$ -	-		$ -	
	Total	**$ 61,179,879**	**$ -**	**$ 61,179,879**	**$ 69,689,957**	**$ 97,115**	**$ 69,592,842**	**$ 6,601,997**

Table 49 - 2021 Test Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

		Service Lives			
Account	Description	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 Rate on New Additions
		h	i = 1/h	j	k = 1/j
1815	Power Transformers	-		35.00	2.86%
1815	Power Transformers	-		20.00	5.00%
1815	Power Transformers	-		20.00	5.00%
1815	Station Service Transformer	-		45.00	2.22%
1815	Station Grounding Transformer	-		40.00	2.50%
1815	Station Metal Clad Switchgear	-		50.00	2.00%
1815	Station Independent Breakers	-		45.00	2.22%
1815	Station Switch	-		50.00	2.00%
1815	Digital & Numeric Relays	-		20.00	5.00%
1815	Rigid Busbars	-		55.00	1.82%
1815	Steel Structure	-		50.00	2.00%
1815	Underground Primary Cable	-		40.00	2.50%
1815	Concrete Encased Duct Banks	-		55.00	1.82%
1815	Remote SCADA	-		15.00	6.67%
1815	Station Building	-		50.00	2.00%
1815	Station Building	-		25.00	4.00%
1815	Station Building	-		35.00	2.86%
1815	Station Building	-		20.00	5.00%
1815	Wholesale Energy Meters	-		20.00	5.00%
1815	CT & PT	-		45.00	2.22%
1830	Poles	49.00	2.04%	50.00	2.00%
1835	OH Conductors	44.50	2.25%	50.00	2.00%
1835	OH Switches	34.50	2.90%	40.00	2.50%
		-	0.00%	-	0.00%
1845	UG Primary Cables	36.50	2.74%	40.00	2.50%
1845	UG Secondary Cables	34.50	2.90%	40.00	2.50%
1845	UG Switchgear	24.18	4.14%	50.00	2.00%
1840	Ducts	44.18	2.26%	50.00	2.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1850	OH Transformers & Voltage Regulators	40.00	2.50%	40.00	2.50%
1850	Transformers incl. grounding system	28.85	3.47%	20.00	5.00%
		-	0.00%	-	0.00%
1820	DC Service Station	13.85	7.22%	20.00	5.00%
1820	DC Service Station Transformer	-	0.00%	40.00	2.50%
1820	DC Service Stations SwitchGear	-	0.00%	40.00	2.50%
		-	0.00%	-	0.00%
1835	Switchgear - Air & Gas	33.85	2.95%	40.00	2.50%
1850	UG Transformer	36.27	2.76%	40.00	2.50%
		-	0.00%	-	0.00%
1860	Industrial/Wholesale meters	17.10	5.85%	20.00	5.00%
1860	Other meters, PTs & CTs	44.00	2.27%	45.00	2.22%
1860	Smart Meters	-	0.00%	15.00	6.67%
1860	Smart meters -Data Collectors	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1805	Land	-	0.00%	-	0.00%
1806	Land Rights	-	0.00%	-	0.00%
1806		-	0.00%	-	0.00%
1908	Buildings and Fixtures	34.00	2.94%	42.00	2.38%
		-	0.00%	-	0.00%
1915	Office Equipment	5.00	20.00%	5.00	20.00%
		-	0.00%	-	0.00%
1920	Computer Hardware	1.50	66.67%	5.00	20.00%
1925	Computer Software	3.00	33.33%	5.00	20.00%
		-	0.00%	-	0.00%
1930	Bucket Trucks	10.50	9.52%	12.00	8.33%
1930	Trailers	11.00	9.09%	15.00	6.67%
1930	Vans/Cars	7.50	13.33%	8.00	12.50%
		-	0.00%	-	0.00%
1940	Power Tools, shop, garage, measurement testing	7.00	14.29%	10.00	10.00%
1940	Stores Equipment	3.00	33.33%	10.00	10.00%
		-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1980	SCADA	13.62	7.34%	20.00	5.00%
1955	Other	-	0.00%	-	0.00%
		-	0.00%	-	0.00%
1855	Services	50.00	2.00%	50.00	2.00%
		-	0.00%	-	0.00%
1955	Communication Equipment, Wireless	2.50	40.00%	10.00	10.00%
		-	0.00%	-	0.00%
1606	Corporation Costs	-	0.00%	-	0.00%
1995	Contributions & Grants		0.00%		0.00%
2440	Deferred Revenue		0.00%		0.00%
	Total				

Table 49 - 2021 Test Year MIFRS – HHHI version of Appendix 2-C Depreciation and Amortization Expense (cont'd)

Account	Description	Depreciation Expense: Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense: Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense: Depreciation Expense on Current Year Additions [5]	Depreciation Expense: Total Current Year Depreciation Expense	Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance [6]
		l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1815	Power Transformers	$ -	$ 109,524	$ -	$ 109,524	109,520	-$ 4
1815	Power Transformers	$ -	$ 28,293	$ -	$ 28,293	28,293	$ -
1815	Power Transformers	$ -	$ 20,433	$ -	$ 20,433	20,433	$ -
1815	Station Service Transformer	$ -	$ 13,245	$ -	$ 13,245	13,245	$ -
1815	Station Grounding Transformer	$ -	$ 6,280	$ -	$ 6,280	6,280	$ -
1815	Station Metal Clad Switchgear	$ -	$ 42,736	$ -	$ 42,736	42,736	$ -
1815	Station Independent Breakers	$ -	$ 30,076	$ -	$ 30,076	30,076	$ -
1815	Station Switch	$ -	$ 14,198	$ -	$ 14,198	14,198	$ -
1815	Digital & Numeric Relays	$ -	$ 96,939	$ -	$ 96,939	96,939	$ -
1815	Rigid Busbars	$ -	$ 14,509	$ -	$ 14,509	14,509	$ -
1815	Steel Structure	$ -	$ 44,548	$ -	$ 44,548	44,548	$ -
1815	Underground Primary Cable	$ -	$ 40,676	$ -	$ 40,676	40,676	$ -
1815	Concrete Encased Duct Banks	$ -	$ 28,047	$ -	$ 28,047	28,047	$ -
1815	Remote SCADA	$ -	$ 29,730	$ -	$ 29,730	29,730	$ -
1815	Station Building	$ -	$ 65,040	$ -	$ 65,040	65,040	$ -
1815	Station Building	$ -	$ 11,414	$ -	$ 11,414	11,414	$ -
1815	Station Building	$ -	$ 9,011	$ -	$ 9,011	9,011	$ -
1815	Station Building	$ -	$ 16,992	$ -	$ 16,992	16,992	$ -
1815	Wholesale Energy Meters	$ -	$ 16,010	$ -	$ 16,010	16,010	$ -
1815	CT & PT	$ -	$ 12,151	$ -	$ 12,151	12,151	$ -
1830	Poles	$ 398,527	$ 285,537	$ 17,514	$ 701,579	689,607	-$ 11,972
1835	OH Conductors	$ 146,441	$ 33,812	$ 3,883	$ 184,137	184,793	$ 656
1835	OH Switches	$ 37	$ 80,210	$ 5,111	$ 85,359	104,893	$ 19,534
			$ -				
1845	UG Primary Cables	$ 193,031	$ 80,775	$ 6,068	$ 279,874	305,892	$ 26,018
1845	UG Secondary Cables	$ 95,748	$ 56,129	$ 2,996	$ 154,873	149,193	-$ 5,681
1845	UG Switchgear	$ 113	$ 12,325	$ -	$ 12,438	11,928	-$ 510
1840	Ducts	$ 23,845	$ 19,565	$ 4,178	$ 47,588	36,513	-$ 11,075
		$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1850	OH Transformers & Voltage Regulators	$ 28,412	$ 190,245	$ 5,440	$ 224,097	183,238	-$ 40,859
1850	Transformers incl. grounding system	$ 102,500	$ 7,918	$ 8,016	$ 118,433	110,916	-$ 7,518
			$ -				
1820	DC Service Station	$ 78,782	$ 31,699	$ 691	$ 111,172	111,102	-$ 70
1820	DC Service Station Transformer	$ -	$ 14,891	$ 7,520	$ 22,411	22,412	$ 1
1820	DC Service Stations SwitchGear	$ -	$ 21,519	$ 173	$ 21,692	21,689	-$ 3
			$ -				
1835	Switchgear - Air & Gas	$ 68,567	$ -	$ -	$ 68,567	69,108	$ 541
1850	UG Transformer	$ 145,148	$ 68,066	$ 1,749	$ 214,964	208,996	-$ 5,967
			$ -				
1860	Industrial/Wholesale meters	$ 112,201	$ 14,137	$ 6,276	$ 132,614	128,413	-$ 4,201
1860	Other meters, PTs & CTs	$ 65,102	$ 3,897	$ -	$ 68,998	64,625	-$ 4,373
1860	Smart Meters	$ -	$ 92,074	$ 2,531	$ 94,605	97,318	$ 2,713
1860	Smart meters -Data Collectors	$ -	$ -	$ -	$ -		$ -
			$ -				
1805	Land	$ -	$ -	$ -	$ -		$ -
1806	Land Rights	$ -	$ -	$ -	$ -		$ -
1806		$ -	$ -	$ -	$ -		$ -
1908	Buildings and Fixtures	$ 79,093	$ 10,748	$ 714	$ 90,555	93,198	$ 2,643
		$ -	$ -	$ -	$ -		$ -
1915	Office Equipment	-$ 0	-$ 0	$ 1,000	$ 1,000	1,000	$ 0
		$ -	$ -	$ -	$ -		$ -
1920	Computer Hardware	$ 23,775	$ 63,959	$ 15,100	$ 102,834	107,423	$ 4,589
1925	Computer Software	$ -	$ 94,828	$ 3,200	$ 98,028	97,723	-$ 305
		$ -	$ -	$ -	$ -		$ -
1930	Bucket Trucks	$ 125,464	$ 91,041	$ 18,750	$ 235,255	239,544	$ 4,288
1930	Trailers	$ 12,528	$ 6,567	$ -	$ 19,095	15,000	-$ 4,095
1930	Vans/Cars	$ 15,181	$ 30,154	$ 2,813	$ 48,148	50,297	$ 2,149
		$ -	$ -	$ -	$ -		$ -
1940	Power Tools, shop, garage, measurement testing	$ 24,824	$ 41,123	$ 1,500	$ 67,447	64,456	-$ 2,991
1940	Stores Equipment	$ 1,720	$ -	$ -	$ 1,720		-$ 1,720
		$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1980	SCADA	$ 51,182	$ 1,007	$ -	$ 52,189	46,296	-$ 5,893
1955	Other	$ -	$ -	$ -	$ -		$ -
		$ -	$ -	$ -	$ -		$ -
1855	Services	$ 50	$ 26,049	$ 2,166	$ 28,265	44,409	$ 16,144
		$ -	$ -	$ -	$ -		$ -
1955	Communication Equipment, Wireless	$ 6,339	$ 3,916	$ 2,503	$ 12,758	6,355	-$ 6,403
		$ -	$ -	$ -	$ -		$ -
1606	Corporation Costs	$ -	$ -	$ -	$ -		$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -		$ -
2440	Deferred Revenue	$ -	$ -	$ -	$ -		$ -
	Total	$ 1,798,611	$ 2,032,046	$ 119,891	$ 3,950,547	$ 3,916,182	-$ 34,365

4.9 TAXES & PAYMENTS IN LIEU OF TAXES (PILS)

4.9.1 PILS AND CAPITAL TAXES

HHHI makes payments in lieu (PILs) of corporate taxes calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the *Income Tax Act (Canada)* and the *Corporations Tax Act (Ontario)*, as modified by the *Electricity Act, 1998*, and related regulations. HHHI does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the *Income Tax Act (Canada)* and the *Ontario Corporations Tax Act*. HHHI is projecting a loss for tax purposes in the 2021 Test year of $2,527,416 and therefore, has included $0 for the recovery of PILs in this Application.

Currently, HHHI does not have a balance in Deferral and Variance Account 1592 - PILs and Tax Variance for 2006 and Subsequent Years. In the future, HHHI forecasts a possibility of requiring USofA 1592 and requests that the OEB allow this account to remain available to HHHI.

Table 50a: Income Tax Summary below provides a summary of 2019 Actuals, 2020 Bridge Year and 2021 Test Year PIL's estimates. These estimates are based on the rates prescribed by the OEB in the OEB's Income Tax/PILs Work form for 2021 Filers and is provided in Appendix 4-5. The 2021 Test Year PILs have been determined by applying enacted 2021 rates against taxable income.

Table 50a: Income Tax Summary

	2019 Actual	2020 Bridge	2021 Test
Loss Carry Forward - Beginning Balance	**4,196,689**	**3,290,582**	**10,732,818**
Taxble Income/(Loss)	906,107	(7,442,236)	(2,527,416)
Loss Carry Forward - Ending Balance	**3,290,582**	**10,732,818**	**13,260,234**

At the time of filing this Application, HHHI has filed its 2019 Corporation Income Tax Returns. A copy of the 2019 T2 Corporation Income Tax Return has been provided in Appendix 4-6. [39]

Income tax amounts included in the HHHI audited financial statements are based on estimates and differ from the actual tax return. The difference between actual and estimated tax provision for 2019 is recorded in the 2020 financial statements. In accordance with the Filing Requirements, HHHI has completed and submitted the OEB's Income Tax/PILs Work form model.[40]

The following Table 50b - Computation of Taxable Income 2021 Test Year presents the calculation of taxable income for the 2021 Test Year. Tax adjustments are made for both temporary and permanent differences and reserves. The most significant temporary differences included are:

- The difference between depreciation for accounting purposes versus capital cost allowance (CCA) for tax purposes; and[41]
- The difference between opening and closing reserves from financial statements. The reserves represent HHHI's post-employment benefit liability. A copy of the Actuarial Report is provided in Appendix 4-4.

[39] MFR - Financial Statements included with tax returns if different from those filed with application
[40] MFR - Completed version of the PILs model (PDF and Excel); derivation of adjustments for historical, bridge, test years
[41] MFR - Accelerated CCA - distributors must bring forward the balance tracked in Account 1592 - PILs and Tax Variances – CCA Changes for review and disposition in its current cost-based rate application, as well as future cost-based rate applications.

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Table 50b - Computation of Taxable Income 2021 Test Year

	T2 S1 line #	2019 Actual Taxable Income	2020 Bridge Year Taxable Income	2021 Test Year Taxable Income
Net Income Before Taxes		**($615,471)**	**($83,023)**	**$3,552,813**
Additions:				
Interest and penalties on taxes	103			
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	$2,881,715	$3,424,736	$3,611,342
Recapture of capital cost allowance from Schedule 8	107			$0
Charitable donations	112	$325		
Non-deductible meals and entertainment expense	121	$3,189	$4,745	
Non-deductible automobile expenses	122	$3,063		
Reserves from financial statements- balance at end of year	126	$1,137,593	$1,286,436	$1,295,217
Other Additions (Apprenticeship Tax Credits)	295		$5,000	$5,000
Capital Contributions Received (ITA 12(1)(x))		$833,461		
Inducement under 12(1) (x) ITA - Apprenticeship Tax Credit		$8,438		
FA Amortization booked in GL Accounts		$219,461		
SWAP Mark to Market		$2,274,169		
Total Additions		**$7,361,414**	**$4,720,917**	**$4,911,559**
Deductions:				
Gain on disposal of assets per financial statements	401	$1,000		
Dividends not taxable under section 83	402			
Capital cost allowance from Schedule 8	403		$6,751,332	$6,011,637
Reserves from financial statements - balance at beginning of year	414	$1,116,297	$1,137,593	$1,286,436
Contributions to deferred income plans	416	$289,928		
Expenses capitalized for accounting (Poles)		$1,321,301	$707,198	$616,548
Capital contribution received		$833,461	$1,049,738	$1,165,529
Expenses capitalized for accounting (capitalized OH)		$724,197	$1,431,739	$1,531,365
Tax recovery incl in net movements in reg. balance on P&L		$355,622	$0	
Amortization of contributed capital		$329,195	$352,681	$380,273
Capitalized Interest		$543,584		
Depreciation removed from P&L to Regulatory Assets		$324,926	$649,848	
Total Deductions		**$5,839,511**	**$12,080,129**	**$10,991,788**
NET INCOME FOR TAX PURPOSES		**$906,432**	**($7,442,236)**	**($2,527,416)**
Charitable donations	311	$325		
Taxable dividends received under section 112 or 113	320			
Non-capital losses of previous tax years from Schedule 4	331	$906,107		$0
Net capital losses of previous tax years from Schedule 4	332			$0
Limited partnership losses of previous tax years from Schedule 4	335			
REGULATORY TAXABLE INCOME		**$0**	**($7,442,236)**	**($2,527,416)**

4.9.2 LOSS CARRY FORWARDS

HHHI is forecasting a loss carry forward of $13,260,234 for the 2021 Test Year. A summary of the loss carry forward is present in Table 51 - Loss Carry Forward below.

Table 51 - Loss Carry Forward

	2019 Actual	2020 Bridge Year	2021 Test Year
Loss Carry Forward - Beginning Balance	$4,196,689	$3,290,582	$10,732,818
Taxable Income / (Loss)	$906,107	$ (7,442,236)	$ (2,527,416)
Loss Carry Forward - Ending Balance	**$ 3,290,582**	**$ 10,732,818**	**$ 13,260,234**

4.9.3 OTHER ADDITIONS AND DEDUCTIONS[42]

In accordance with the Filing Requirements, HHHI has excluded the deferral and variance accounts for Regulatory Assets and Liabilities from the reserve balances for 2020 Bridge Year and 2021 Test Year.

4.9.4 TAX CREDITS[43]

HHHI takes advantage of the tax credits, where available, to minimize taxes payable or maximize loss carry forward.

4.9.5 NON-RECOVERABLE AND DISALLOWED EXPENSES

[42] MFR - Supporting schedules, calculations and explanations for other additions and deductions
[43] MFR - Calculation of Tax Credits; redact where required (filing of unredacted versions is not required)

HHHI has not included donations, other than LEAP, in the calculation of the revenue requirement. HHHI does not have any additional expenses that are deductible for general tax purposes, but for which recovery in 2021 distribution rates would be partially or fully disallowed. [44]

4.9.6 DETAILED TAX CALCULATIONS

Table 50b - Computation of Taxable Income 2021 Test Year above summarizes the detailed tax calculation for 2019 Actuals, 2020 Bridge and 2021 Test Year.

4.9.7 INTEGRITY CHECKS[45][46]

HHHI has completed the integrity checks for the following information as detailed in the filing requirements.

- The depreciation and amortization added back in the PIL's 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, 2020 Bridge Year and 2021 Test Years.
- Schedule 8 of the most recent federal T2 tax return filed as a closing December 31, 2019 agrees with the opening 2020 Bridge Year UCC. HHHI confirms that there were no non-distribution tax amounts on Schedule 8 of the December 31, 2019 tax return.
- The CCA deductions in the PILs tax model for the 2020 Bridge Year and 2021 Test year agree with the numbers in the UCC schedules for the same years filed in the Application.
- HHHI have any losses carry-forwards.
- CCA is maximized for the Bridge and Test Year.

[44] MFR - Exclude from regulatory tax calculation any non-recoverable or disallowed expenses
[45] MFR - Supporting schedules and calculations identifying reconciling items
[46] MFR - Completion of Integrity checks listed on p.41; statement confirming completion

- Post-retirement benefit obligations added back on Schedule 1, the reconciliation of accounting income to net income for tax purposes, agree with the amounts provided in the OM&A analysis for compensation.
- The income tax rate used to calculate the tax expense is consistent with HHHI's actual tax rates and the evidence filed in the application.
-

4.9.8 PROPERTY TAXES[47]

HHHI pays property taxes to the Town of Halton Hills. In addition, HHHI makes annual payments to the Ontario Electricity Financial Corporation for Payments in Lieu of Property Taxes. Property taxes for the 2016 Board Approved, 2016 Actual, 2017 Actual, 2018 Actual, 2019 Actual, 2020 Bridge Year and 2021 Test Year are provided in Table 52 - Property Taxes.

Table 52 - Property Taxes

	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Bridge Year	2021 Test Year
Property Tax	$104,440	$102,949	$105,778	$93,294	$114,540	$152,923	$157,546
Increase / (Decrease)		**($1,491)**	**$2,829**	**($12,483)**	**$21,246**	**$38,383**	**$4,623**

The increase in the 2020 Bridge Year and 2021 Test Year is a result of the addition of the MTS1 transformer station.

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

4.12 CONSERVATION AND DEMAND MANAGEMENT

4.12.1 CONSERVATION AND DEMAND MANAGEMENT OVERVIEW

HHHI has worked with its consultant, Elenchus, in the calculation of the Lost Revenue Adjustment Mechanism Variance Account.

HHHI's LRAMVA claim for the years 2015 to 2018 is $346,905.21, including carrying charges to the end of April 2021. The live LRAMVA Workform is included with this application. HHHI is not proposing to claim lost revenues for 2019 at this time.

HHHI's CDM activities consist of programs initiated by the Independent Electricity System Operator ("IESO"). In this COS application, HHHI is claiming an LRAMVA amount pertaining to lost revenue from 2015 to 2018. HHHI last made an LRAMVA claim in the 2016 Cost of Service application (EB-2015-0074) for programs up to, and including, 2014. Therefore, HHHI is entitled to 2015 persistence of IESO CDM program activities from 2011 to 2015 for its lost revenue in 2015, persistence of 2015 to 2016 programs for its lost revenue in 2016, persistence of 2015 to 2017 programs for lost revenue in 2017, and persistence of 2015 to 2018 programs for its lost revenue in 2018.

In 2015, HHHI achieved 1,288,473 kWh and 3,000,307 kWh in excess of the target for Residential and General Service less than 50 kW customers, respectively. Demand savings were 6,354 kW above the target for the General Service 50 to 999 kW class, 4,348 kW above target for the General Service 1,000 to 4,999 kW class, and 61 kW above the forecast for the Street Lighting class.

In 2016, HHHI achieved 3,121,628 kWh and 1,753,283 kWh in excess of the target for Residential and General Service less than 50 kW customers, respectively. Demand savings were 850 kW below the target for the General Service 50t to 999 kW class, 360 kW above the forecast for the General Service 1,000 to 4,999 kW class and 1,274 kW below target for the Street Lighting class.

In 2017, HHHI achieved 9,111,086 kWh and 2,804,530 kWh in excess of the target for Residential and General Service less than 50 kW customers, respectively. Demand savings were 1,712 kW above the target for the General Service 50 to 999 kW class, 2,214 kW above the forecast for the General Service 1,000 to 4,999 kW class, and 999 kW above target for the Street Lighting class.

In 2018, HHHI achieved 9,333,325 kWh and 3,159,592 kWh in excess of the target for Residential and General Service less than 50 kW customers, respectively. Demand savings were 2,936 kW above the target for the General Service 50 to 999 kW class, 3,246 kW above target for the General Service 1,000 to 4,999 kW class, and 1,131 kW above the forecast for the Street Lighting class.

Consumption and demand figures above are relative to the targets established in EB-2011-0271 and EB-2015-0074. HHHI's persisting results are based on the 2011-2014 Final Results Report, Final 2015 Annual Verified Results Report, Final 2016 Annual Verified Results Report, the Final 2017 Annual Verified Results Report, and the 2019 (April 2019) Participation and Cost Report, all provided by the IESO.

For clarity, the CDM amount to be included in the 2016 load forecast was agreed upon on page 16 of the EB-2015-0074 Settlement Agreement. The volumes provided in this reference include persistence of 2011 to 2014 programs. The LRAMVA amounts by class, excluding 2011 to 2014 programs, are provided in 3-VECC-15, part f). Persistence of programs from 2011 to 2014 are consistently excluded in Table IRR-45 (3-VECC-15) and persistence calculations in the LRAMVA workform. This threshold is relevant for the years 2016 to 2018. The LRAMVA threshold relevant to 2015 is the previous threshold of 4.23 GWh and 3,377 kW of savings from page 11 of the EB-2011-0271 Settlement Agreement.

To mitigate the rate impact of LRAMVA rate riders, HHHI is not claiming 2019 lost revenues at this time. HHHI proposes to claim 2019 lost revenues in a future disposition. Deferring recovery of 2019 will allow HHHI to more precisely determine 2019 lost revenues that are not included in the IESO's April 2019 Participation and Cost Report and reduce total bill impacts in the test year. The $346,905 claim differs from the previously reported balance of $364,132 because it includes adjustments to 2018 savings, carrying charges extend to a later date, no 2019 savings are included, and the derivation of streetlight savings has changed.

Net incremental peak demand savings are not provided in the 2018 Participation and Cost Report. For the Save on Retrofit program, the average kW to kWh ratio of the program's historic savings are applied to the 2018 net incremental energy savings to approximate 2018 net incremental demand savings. The kW to kWh ratio of the Save on Energy Small Business Lighting program is the 2017 province wide kW to kWh ratios associated with that program.

Detailed demand savings from streetlight replacement programs funded by the IESO are included in an inserted “Streetlight Details” tab. The Streetlight Details table shows the decline in HPS & MH fixture counts and corresponding increase in LED counts. Total monthly demand for all streetlights considered under the streetlight replacement program has been inserted into the Summary of Project tables in Tab 8. Streetlighting, which derives the monthly gross kW reductions. A Net to Gross Ratio of 85.2% is applied to monthly demand savings. The table has been extended to consider the number of months applicable to the demand savings. Streetlight savings data in Tab 5. 2015-2020 LRAM has been replaced with the total and persistence figures from the Summary of Project tables.

Carrying charges totaling $21,022 have been calculated to the end of April 2021 with the OEB’s Approved Deferral and Variance Accounts prescribed interest rates. The rates in 2020 Q4, 2021 Q1, and 2021 Q2 have not been provided so the 2020 Q3 rate of 0.57% is used in those periods.

HHHI has not made any adjustments to previously claimed LRAMVA amounts. No changes have been made to the LRAMVA Workform, except for replacing unused programs with current programs.

The Non-Residential (previously labeled Commercial & Industrial Programs) are allocated to rate classes based on the energy savings of projects attributable to each class within the program. For each program in a given year, total energy savings of projects undertaken by each class are evaluated against the total energy savings among all classes in that program. This process used project data from the IESO-provided Final Verified Annual LDC CDM Program Results Project List Generator. A similar method was used prior to the Conservation First Framework with data tracked by HHHI on a best-efforts basis.

HHHI has entered the LRAMVA amounts for disposition into the 2021 DVA Continuity Schedule as shown in Exhibit 9. The disposition amounts and proposed rate riders are shown Table 53 - LRAMVA Claim Summary – Principal.[48]

Table 53 - LRAMVA Claim Summary – Principal

Rate Class	**Billing Unit**	**Principal**	**Carrying Charges**	**Total LRAMVA**	**Load Forecast**	**Proposed Rate Rider**
Residential	customers	$162,712	$10,260	$172,972	20,852	$0.35
General Service less than 50 kW	kWh	$101,929	$6,645	$108,575	46,722,885	$0.0012
General Service 50 to 999 kW	kW	$36,514	$2,565	$39,079	371,084	$0.0527
General Service 1,000 to 4,999 kW	kW	$33,659	$2,254	$35,912	168,373	$0.1066
Unmetered Scattered Load	kWh	$-	$-	$-	962,029	$-
Sentinel Lights	kW	$-	$-	$-	680	$-
Street Lighting	kW	$(8,931)	$(702)	$(9,633)	3,105	$(1.5512)
Total		$325,883	$21,022	$346,905		

HHHI is proposing to dispose of these amounts over a two (2) year period through rate riders between May 1st, 2021 to April 30th, 2023. The following table outlines the proposed disposition.

[48] 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

APPENDICES

APPENDIX 4-1: HHHI SPECIFIC KINECTRICS REPORT (K-418022-RA-0001-R002)

APPENDIX 4-2: 2020 FORECASTING PEG BENCHMARKING MODEL

APPENDIX 4-3: DECISION AND ORDER – EB-2017-0045

APPENDIX 4-4: HHHI – ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

APPENDIX 4-5: 2021 TEST YEAR INCOME TAX PILS

APPENDIX 4-6: FEDERAL AND PROVINCIAL 2019 T2 CORPORATION INCOME TAX RETURN FOR HHHI

APPENDIX 4-1: HHHI SPECIFIC KINECTRICS REPORT (K-418022-RA-0001-R002)

Enersource Corporation, Burlington Hydro, Oakville Hydro, Halton Hills Hydro & Milton Hydro Useful Life of Assets

Kinectrics Inc. Report No: K-418022-RA-0001-R002

November 23, 2009

Kinectrics Inc.
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DISCLAIMER

Enersource Corporation, Burlington Hydro, Oakville Hydro, Halton Hills Hydro, & Milton Hydro Useful Life of Assets

Kinectrics Inc. Report No: K-418022-RA-0001-R002

November 23, 2009

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Revision History

Revision Number	Date	Comments	Approved
R000	October 8, 2009	Initial Draft	n/a
R001	October 28, 2009	Finalized Draft	
R002	November 23, 2009	Finalized Report	

Table of Contents

1 Executive Summary

1.1 Introduction

One of the aspects of switching to International Financial Reporting Standards (IFRS) methodology that Ontario's Local Distribution Companies (LDCs) are embarking upon is trying to align the time period assets are amortized over with their actual useful life.

This is a rather onerous task because LDCs own and operate a large number of assets that are divided into different asset categories, each with its own degradation mechanism and useful life range. Moreover, some assets are comprised of several components that may have differing useful life than the assets themselves. It is therefore important for LDCs to properly account for the useful lives of assets and their components to facilitate conversion to IFRS.

This report reviews the useful lives of the assets, and their components that are applicable to Enersource Corporation, Burlington Hydro, Oakville Hydro, Halton Hills Hydro and Milton Hydro (the Consortium). The useful life values are compiled from several different sources, namely, industrial statistics, research studies and reports (either by individuals or working groups such as CIGRE), and Kinectrics experience, all listed in Section 35 of this Report. Useful lives of assets are dependent on a number of utilization factors (mechanical stress, electrical loading, environmental factors and operating practices) that are described in more detail in Section 1.4 of this report and it is worth noting that the useful lives of assets do not generally follow standard distribution curves as they are derived from empirical statistics.

1.2 Project Scope

This report provides an in-depth evaluation of the useful lives of the assets that are owned and operated by the Consortium members. The typical parent system(s) to which the asset belongs is provided and these "parent" systems are: *Overhead Lines* (OH), *Transmission Stations* (TS), *Municipal Stations* (MS), *Underground Systems* (UG) and *Monitoring and Control System* (S). The long term degradation mechanism of each asset category is described for each asset category and when applicable assets are sub-categorized into components: components are included when their cost is material enough and, at the same time, component could be replaced without a need to replace the whole asset. For each asset or component, the following information is presented:

- Useful Life Range
- Typical Life
- Typical time-based maintenance intervals, if applicable
- Impact of Utilization Factors

Section 1.4 provides definitions for the above terms, as well as descriptions of typical distribution system assets and asset components.

1.3 Project Execution Process

The project execution process entailed a number of steps to ensure that the industry-based information compiled by Kinectrics not only includes all the relevant assets and components used by Consortium, but also that it addresses the specific needs related to the IFRS review. The procedure is as follows:

- The initial list of assets and components was produced by the Consortium members to Kinectrics for review.
- Upon review of the initial list, Kinectrics generated an intermediate asset list that had a somewhat different background, granularity, and componentization, based on industry practices and Kinectrics experience.
- The intermediate list was reviewed jointly by the Consortium members and Kinectrics to derive a “final” list.
- For each asset and component in the “final” list, Kinectrics then gathered the information described in Section 1.2 from the sources described in Section 1.1 of this report. A Draft Report that summarized the findings and provided detail descriptions, including degradation mechanisms and applicable assumptions for each asset, was then produced.
- This Draft Report was reviewed by the Consortium members and their feedback was incorporated in the Final Report.

1.4 Definition of Terms

1.4.1 *Typical Distribution System Asset*

Typical distribution system assets include transformers, breakers, switches, underground cables, poles, vaults, cable chambers, etc. Some of the assets, such as power transformers, are rather complex systems and include a number of components.

1.4.2 *Component*

For the purposes of this study, component refers to the sub-category of an asset that meets both of the following criteria:

- Its value is significant enough, relative to the asset value.
- A need to replace the component does not necessarily warrant replacing the entire asset.

An *asset* may be comprised of more than one component, each with an independent failure mode and degradation mechanism that may result in a substantially different useful life than the overall asset. A component may also have an independent maintenance and replacement schedule.

1.4.3 *Useful Life*

Useful Life refers to an estimated range of years during which an electric utility asset or its component is expected to operate as designed, without experiencing major functional degradation that requires major refurbishment or replacement.

In this report, the useful life range, in years, is presented in terms of a minimum, maximum, and typical value. An overwhelming number of units within a population will perform their intended design functions for a period of time greater than or equal to the *minimum* life. Conversely, an overwhelming number of units will cease to perform as designed at or beyond the *maximum* life. A majority of the population will have useful lives of around the *typical* life. For example, consider an asset class with a useful life range of 20 to 40 years, and a typical life of 30 years. An overwhelming majority of the units within this class will perform as required for at least 20 years. Very little number units will operate beyond 40 years. Finally, a majority of the units within the population will operate for approximately 30 years. Note that an asset category can have a typical life that is equal to either the maximum or minimum life. This is simply an indication that the majority of the units within a population will be operational for either the minimum or maximum years; i.e. the statistical data is skewed towards either the maximum or minimum values. The range in useful lives reflects differences in Utilization Factors described below.

1.4.4 *Typical Life*

Refers to the typical age at which the asset or component fails. This may vary depending on a utility's maintenance practices, environmental conditions, and operational stresses.

1.4.5 *Typical Time-based Maintenance Intervals*

For the purposes of this report, time-based maintenance refers to either *Routine Inspections* (RI) or *Routine Testing/Maintenance* (RTM). Other maintenance techniques such as Condition Based Maintenance, Reliability Centered Maintenance, and more intrusive periodic overhauls are very much dependent on individual utility's maintenance strategy and practices and, as such, could not be included in compiling industry-wide typical values.

Typical time-based maintenance intervals will be given only for assets that are proactively maintained, i.e. assets for which useful life is affected by regular planned maintenance. This excludes assets that are not routinely maintained.

1.4.6 *Impact of Utilization Factors*

For the purpose of this report, stress that impacts the assets refers to *Mechanical Stress* (MC), *Electrical Loading* (EL), *Environmental Conditions* (EN) and/or *Operating Practices* (OP):

- Mechanical stress includes factors such as wind and ice that leads to degradation over time
- Electrical loading refers to either constant loading that creates long term degradation or temporary overloading that may causes a severe degradation
- Environmental conditions include pollution, salt, acid rain, extreme temperature and detrimental animals (i.e. woodpeckers) that may cause degradation over time
- Operating practices refers to how frequently an asset is subject to operating procedure (automatic or manual) that impacts its useful life, e.g. reclosers operations.

Each asset could be impacted by one or more of these factors resulting in a different degradation rates for the same assets and/or components in different jurisdictions. Therefore, it is expected that some of the utility specific typical life values would be different than the ones provided in this report based on the qualitative assessment of the above factors.

1.5 Summary of Findings

Table 1-1 summarizes useful and typical lives, time based maintenance schedules, and impact of stress for Consortium assets.

Table 1-1 Summary of Componentized Assets

Report Section #	Parent*	Asset Category	Componentization *(sub category)*		Useful Life *(years)* Minimum	Useful Life *(years)* Typical	Useful Life *(years)* Maximum	Maint. Type**	Time Based Maint. Schedule *(years)*	Impact of Stress***	Reference #
2	OH	Wood Poles	Pole		40	44	50	RI	15	MC, EN	[1], [2], [3], [4], [38],[39], [40]
			Cross Arm	Wood	20	40	50				
				Composite	40	60	80				
				Steel	20	70	100				
			Bracket	Galvanized Steel	20	40	50				
			Insulator	Composite	10	20	45				
				Porcelain	40	40	50				
			Anchors & Guying		20	40	50				
3	OH	Concrete Poles	*Refer to Wood Poles (1)*		50	60	60	RI	15	MC, EN	[5], [6]
4	OH	Steel Poles	*Refer to Wood Poles (1)*		60	60	80	RI	15	MC, EN	[7], [8], [41]
5	OH	Composite Poles	*Refer to Wood Poles (1)*		50	70	100	N/A	N/A	MC	[9]

* OH = Overhead Lines TS=Transmission Stations MS=Municipal Stations UG=Underground Systems S=Monitoring & Control System
** RI=Routine Inspection RTM=Routine Testing/Maintenance
*** MC=Mechanical Stress EL=Electrical Loading EN=Environmental Factors OP=Operating Practices

<table>
<tr><th rowspan="2">Report Section #</th><th rowspan="2">Parent*</th><th rowspan="2">Asset Category</th><th rowspan="2" colspan="2">Componentization (sub category)</th><th colspan="3">Useful Life (years)</th><th rowspan="2">Maint. Type**</th><th rowspan="2">Time Based Maint. Schedule (years)</th><th rowspan="2">Impact of Stress***</th><th rowspan="2">Reference #</th></tr>
<tr><th>Minimum</th><th>Typical</th><th>Maximum</th></tr>
<tr><td rowspan="5">6</td><td rowspan="5">OH</td><td rowspan="5">Wires</td><td rowspan="4">Conductor</td><td>ACSR</td><td>50</td><td>60</td><td>77</td><td rowspan="5">N/A</td><td rowspan="5">N/A</td><td rowspan="5">MC, EL, EN</td><td rowspan="5">[5], [10]</td></tr>
<tr><td>AAC</td><td>50</td><td>60</td><td>77</td></tr>
<tr><td>Cu</td><td>50</td><td>60</td><td>77</td></tr>
<tr><td>Insulated wire</td><td>50</td><td>60</td><td>77</td></tr>
<tr><td colspan="5">Arrester</td></tr>
<tr><td rowspan="2">7</td><td rowspan="2">OH</td><td rowspan="2">Pole Mounted Transformers</td><td colspan="2">Transformer</td><td>30</td><td>40</td><td>60</td><td rowspan="2">N/A</td><td rowspan="2">N/A</td><td rowspan="2">EL, EN</td><td rowspan="2">[5]</td></tr>
<tr><td colspan="5">Arrester</td></tr>
<tr><td>8</td><td>OH</td><td colspan="3">Manual Overhead Line Switches</td><td>30</td><td>50</td><td>60</td><td>RTM</td><td>2</td><td>EL, EN</td><td>[6]</td></tr>
<tr><td rowspan="2">9</td><td rowspan="2">OH</td><td rowspan="2">Local Motorized Overhead Switches</td><td colspan="2">Switch</td><td>30</td><td>50</td><td>60</td><td rowspan="2">RTM</td><td rowspan="2">2</td><td rowspan="2">EL, EN</td><td rowspan="2">[6]</td></tr>
<tr><td colspan="2">Motor</td><td>15</td><td>20</td><td>20</td></tr>
<tr><td rowspan="3">10</td><td rowspan="3">OH</td><td rowspan="3">Remote Automated Overhead Switches</td><td colspan="2">Switch</td><td>30</td><td>50</td><td>60</td><td rowspan="3">RTM</td><td rowspan="3">2</td><td rowspan="3">EL, EN</td><td rowspan="3">[11], [12]</td></tr>
<tr><td colspan="2">Motor</td><td>15</td><td>20</td><td>20</td></tr>
<tr><td colspan="2">RTU</td><td>15</td><td>20</td><td>30</td></tr>
<tr><td>11</td><td>OH</td><td colspan="3">Fuse Cutouts</td><td>30</td><td>40</td><td>60</td><td>N/A</td><td>N/A</td><td>EL, EN</td><td>[6]</td></tr>
<tr><td>12</td><td>OH</td><td colspan="3">Voltage Regulator</td><td>15</td><td>20</td><td>40</td><td>N/A</td><td>N/A</td><td>EL, EN, OP</td><td>[5], [42]</td></tr>
</table>

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Section #	Parent*	Asset Category	Componentization *(sub category)*		Useful Life			Maint. Type**	Maint. Schedule	Impact of Stress***	Reference #
					Minimum	Typical	Maximum				
13	OH	Reclosers	Breaker	Vacuum	30	40	40	RTM	10	EL, OP	[5], [6], [11], [12]
				Oil	30	42	60				
			RTU		15	20	30				
14	TS	Station Service Transformers	Dry Type		20	30	40	RTM	3	EL, EN	[1],[13], [45],[46]
			Other		32	45	55				
15	TS	TS Power Transformers	Winding		32	45	55	RTM	2	EL, EN, OP	[1], [13], [14],[15], [16],[43] [44],[48]
			Manual/Automatic On Load Tap Changer		20	20	60				
16	MS	MS Power Transformers	Winding		32	45	55	RTM	2	EL, EN, OP	[1], [13], [14],[15], [16],[43] [44],[48]
			Manual/Automatic On Load Tap Changer		20	20	60				
17	MS	DC Station Service	Battery bank		10	20	30	RTM	1	EL, EN, OP	[6],[17], [18],[19]
			Charger		20	20	30				
18	MS	Air Insulated Switchgear	Breaker	SF6	30	42	60	RTM	6	EL, EN, OP	[1],[6], [20],[21],
				Vacuum	30	40	60				
				Air Magnetic	25	40	60				
			Switchgear assembly		40	50	60				

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Section #	Parent*	Asset Category	Componentization *(sub category)*		Useful Life			Maint. Type**	Maint. Schedule	Impact of Stress***	Reference #
					Minimum	Typical	Maximum				
19	MS	Gas Insulated Switchgear	Breaker	SF6	30	42	60	RTM	6	EL, EN, OP	[1],[6], [20],[21],
				Vacuum	30	40	60				
				Air Magnetic	25	40	60				
			Switchgear assembly		40	50	60				
20	MS	Building	Building		30	50	80	RI	1	MC, EN	[13]
			Roof		15	20	20				
			Fence		30	35	45				
21	MS	Station Grounding System			25	40	50	N/A	N/A	EN	[13],[22], [23]
22	UG	UG Primary Cables	TR-XLPE	In Duct	40	40	60	N/A	N/A	EL, EN	[6],[24], [25]
				In Concrete Encased Duct	40	40	60				
				Direct Buried	20	25	40				
			Termination		25	40	60				
			Arrester								
23	UG	UG Secondary Cables	PI (polyethylene insulated)		40	40	60	N/A	N/A	EL, EN	[6],[24], [25]
			PIJ (PVC jacket)		40	40	60				

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Section #	Parent*	Asset Category	Componentization (sub category)		Useful Life Minimum	Useful Life Typical	Useful Life Maximum	Maint. Type**	Maint. Schedule	Impact of Stress***	Reference #
24	UG	Distribution Transformer	Transformer	Pad Mounted	30	40	40	N/A	N/A	EL, EN, OP	[5],[4], [6]
				Vault	30	40	40				
				Submersible	25	35	40				
			Elbows and Inserts		20	40	60				
25	UG	Pad Mounted Switchgear	Air Insulated		20	30	40	RI	3	EL, EN, OP	[26],[27], [28]
			Gas Insulated		30	30	50				
			Solid Dielectric		30	30	50				
26	UG	Vault Switch	Metal Enclosed Switch		20	30	40	RI	3	EL, EN, OP	[6],[26], [27]
			Metal Enclosed Cutout		30	40	60				
27	UG	Utility Chamber			50	60	80	RTM	3	EN	[5],[6], [29]
28	UG	Duct	Duct Bank		30	50	80	N/A	N/A	EN	[5],[6], [30]
			Direct Buried Pipe (PVC)		30	50	75				
			HDPE		50	50	100				
29	UG	Transformer and Switchgear Foundations			30	60	80	RTM	3	EN	[5],[6]
30	UG	Junction Cubicle			25	40	50	N/A	N/A	EN	[5]
31	S	"Classic" SCADA	RTU		15	20	30	N/A	N/A	OP	[1],[11], [12],[32]
			Relay		20	30	50				
			Battery		5	10	10				

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Section #	Parent*	Asset Category	Componentization *(sub category)*		Useful Life			Maint. Type**	Maint. Schedule	Impact of Stress***	Reference #
					Minimum	Typical	Maximum				
32	S	IED Based SCADA	IED		10	15	15	N/A	N/A	OP	[13],[32], [33]
			Battery		5	10	20				
33	S	Fault Indicators	Overhead		5	10	20	N/A	N/A	EN	[34], [47]
			Underground		10	20	30				
34	S	Metering	Meter	Residential	20	30	45	N/A	N/A	EN	[5],[35], [36]
				Industrial	20	30	60				
				Wholesale	20	30	60				
			CT		30	45	50				
			PT		30	45	50				
35	S	Smart Metering	Smart Meter		15	15	20	N/A	N/A	EN	[5],[37]
			Repeaters		5	10	15				
			Antennas								
			Data Concentrator	Sockets & Poles	10	20	20				
			Powerline Repeaters		5	10	15				
			Sky Pilot Devices								
			WAN Equipment								

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*** MC=Mechanical Stress EL=Electrical Loading EN=Environmental Factors OP=Operating Practices

2 Wood Poles

The asset referred to in this category is the fully dressed wood pole ranging in size from 30 to 75 feet. This includes the wood pole, cross arm, bracket, insulator, and anchor & guys. Wood poles are typically the most common form of support for overhead distribution feeders and low voltage secondary lines.

The most significant component of this asset is the wood pole itself. The wood species predominately used for distribution systems are Red Pine, Jack Pine, and Western Red Cedar (WRC), either butt treated or full length treated. Smaller numbers of Larch, Fir, White Pine and Southern Yellow Pine have also been used. Preservative treatments applied prior to 1980, range from none on some WRC poles, to butt treated and full length Creosote or Pentachlorophenol (PCP) in oil. The present day treatment, regardless of species, is CCA-Peg (Chromated Copper Arsenate, in a Polyethylene Glycol solution). Other treatments such as Copper Naphthenate and Ammoniacal Copper Arsenate have also been used, but these are relatively uncommon.

2.1 Degradation Mechanism

The end of life criteria for wood poles includes loss of strength, functionality, or safety (typically due to rot, decay, or physical damage). As wood is a natural material the degradation processes are somewhat different from those which affect other physical assets on the electricity distribution systems. The critical processes are biological, involving naturally occurring fungi that attack and degrade wood, resulting in decay. The nature and severity of the degradation depends both on the type of wood and the environment. Some fungi attack the external surfaces of the pole and some the internal heartwood. Therefore, the mode of degradation can be split into either external rot or internal rot. As a structural item the sole concern when assessing the condition for a wood pole is the reduction in mechanical strength due to degradation or damage.

2.2 System Hierarchy

Wood poles are considered to be a part of the Overhead Lines asset grouping.

2.3 Useful Life and Typical Life

The overall useful life of a wood pole is in the range of 40 to 50 years; the typical life is 44 years.

This asset also has several major components, each with a different useful life:

- Cross Arm (Wood, Composite, Steel)
- Bracket (Galvanized Steel)
- Insulator (Composite, Porcelain)
- Anchor and Guying

2.3.1 *Cross Arm*

The useful life of a wood cross arm is in the range of 20 to 50 years; the typical life is 40 years.

The useful life of a composite cross arm is in the range of 40 to 80 years; the typical life is 60 years.

The useful life of a steel cross arm is in the range of 20 to 100 years; the typical life is 70 years.

2.3.2 *Bracket (Galvanized Steel)*

The useful life of an aluminum bracket component ranges from 20 to 50 years, with a typical value of approximately 40 years.

2.3.3 *Insulator*

The useful life of a composite insulator is in the range of 10 to 45 years; the typical life is 20 years.

The useful life of a porcelain insulator is in the range of 40 to 50 years, with a typical life of 40 years.

2.3.4 *Anchors and Guying*

The useful life of anchors and guying is in the range of 20 to 50 years; the typical life is 40 years.

2.4 Time Based Maintenance Intervals

A typical routine inspection interval for this asset is every 15 years.

2.5 Impact of Utilization Factors

The useful life of this asset is impacted by Mechanical Stress and Environmental Conditions.

3 Concrete Poles

This asset category includes the concrete pole with the same components as for the wood poles, namely cross arm, bracket, insulator, and anchor. These poles range in size from 35 to 80 feet, with the typical pole being 60 feet.

3.1 Degradation Mechanism

The most significant component in this class is the concrete pole itself. Concrete poles age in the same manner as any other concrete structure. Any moisture ingress inside the concrete pores would result in freezing during the winter and damage to concrete surface. Road salt spray can further accelerate the degradation process and lead to concrete spalling. Typical concrete mixes employ a washed-gravel aggregate and have extremely high resistance to downward compressive stresses (about 3,000 lb/sq in), however, any appreciable stretching or bending (tension) will break the microscopic rigid lattice, resulting in cracking and separation of the concrete. The spun concrete process used in manufacturing poles prevents moisture entrapment inside the pores. Spun, pre-stressed concrete is particularly resistant to corrosion problems common in a water-and-soil environment.

3.2 System Hierarchy

Concrete poles are considered to be a part of the Overhead Lines assets grouping.

3.3 Useful Life and Typical Life

The useful life range of the concrete pole component is 50 to 60 years; the typical life is 60 years. For other components, (cross arm, bracket, insulator, and anchor), please refer to Section 2.3.

3.4 Time Based Maintenance Intervals

A typical routine inspection interval for this asset is every 15 years.

3.5 Impact of Utilization Factors

The useful life of this asset is impacted by Mechanical Stress and Environmental Conditions.

4 Steel Poles

This asset category includes the directly buried steel pole, cross arm, bracket, insulator, and anchor.

4.1 Degradation Mechanism

The degradation of directly buried steel poles is mainly due to steel corrosion in-ground. In-ground situations are vastly different because of the wide local variations in soil chemistry, moisture content and conductivity that will affect the way coated or uncoated steel will perform in the ground.

There are two issues that determine the life of buried steel. The first is the life of the protective coating and the second is the corrosion rate of the steel. The item can be deemed to have failed when the steel loss is sufficient to prevent the steel performing its structural function. Where polymer coatings are applied to buried steel items, the failures are rarely caused by general deterioration of the coating. Localized failures due to defects in the coating, pin holing or large-scale corrosion related to electrolysis are common causes of failure in these installations.

Metallic coatings, specifically galvanizing, and to a lesser extent aluminum, fail through progressive consumption of the coating by oxidation or chemical degradation. The rate of degradation is approximately linear, and with galvanized coatings of known thickness, the life of the galvanized coating then becomes a function of the coating thickness and the corrosion rate.

4.2 System Hierarchy

Steel poles are considered a part of the Overhead Lines asset grouping.

4.3 Useful Life and Typical Life

The useful life of steel poles is in the range of 60 to 80 years; the typical life is 60 years. For other components, (cross arm, bracket, insulator, and anchor), please refer to Section 2.3.

4.4 Time Based Maintenance Intervals

A typical routine inspection interval for this asset is every 15 years.

4.5 Impact of Utilization Factors

This asset is impacted by Mechanical Stress and Environmental Conditions.

5 Composite Poles

This asset category includes the composite pole, cross arm, bracket, insulator, and anchor. At Consortium the composite poles are fiberglass.

5.1 Degradation Mechanism

The most significant component in this class is the composite pole itself. The major degradation of composite poles is ultra violet (UV) degradation. It represents an attack from ultra-violet radiation, which might result in crack or disintegration in composite poles. It is a common problem in products exposed to sunlight. Continuous exposure is a more serious problem than intermittent exposure, since attack is dependent on the extent and degree of exposure. In fiber products like composite poles, useful life will be shortened because the outer fibers will be attacked first, and will easily be damaged by abrasion. This will end up with fiber blooming and fading.

5.2 System Hierarchy

Composite poles are considered to be a part of the Overhead Lines assets grouping.

5.3 Useful Life and Typical Life

The useful life range of the composite pole component is 50 to 100 years; the typical life is 70 years. For other components, (cross arm, bracket, insulator, and anchor), please refer to Section 2.3.

5.4 Time Based Maintenance Intervals

. Composite poles are not subject to planned maintenance.

5.5 Impact of Utilization Factors

This asset is impacted by Mechanical Stress.

6 Wires

Overhead conductors along with structures that support them constitute overhead lines or feeders that distribute electrical energy either directly to large customers or from Municipal Stations via distribution transformers to the end users. These conductors are sized to carry a specified maximum current and to meet other design criteria, i.e. mechanical loading.

The overhead conductors typically used by the Consortium are aluminum conductor steel reinforced (ACSR), all aluminum conductor (AAC), copper, and insulated wire.

6.1 Degradation Mechanism

To function properly, conductors must retain both their conductive properties and mechanical (i.e. tensile) strength. Aluminum conductors have three primary modes of degradation: corrosion, fatigue and creep. The rate of each degradation mode depends on several factors, including the size and construction of the conductor, as well as environmental and operating conditions. Most utilities find that corrosion and fatigue present the most critical forms of degradation.

Generally, corrosion represents the most critical life-limiting factor for aluminum-based conductors. Visual inspection cannot detect corrosion readily in conductors. Environmental conditions affect degradation rates from corrosion. Both aluminum and zinc-coated steel core conductors are particularly susceptible to corrosion from chlorine-based pollutants, even in low concentrations.

Fatigue degradation presents greater detection and assessment challenges than corrosion degradation. In extreme circumstances, under high tensions or inappropriate vibration or galloping control, fatigue can occur in very short timeframes. However, under normal operating conditions, with proper design and application of vibration control, fatigue degradation rates are relatively slow. Under normal circumstances, widespread fatigue degradation is not commonly seen in conductors less than 70 years of age. Also, in many cases detectable indications of fatigue may only exist during the last 10% of a conductor's life.

In designing transmission lines, engineers ensure that conductors receive no more than 60% of their rated tensile strength (RTS) during heaviest anticipated weather loads. The tensile strength of conductors gradually decreases over time. When conductors experience unexpectedly large mechanical loads and tensions beyond 50% of their RTS, they begin to undergo permanent stretching with noticeable increases in sagging.

Overloading lines beyond their thermal capacity causes elevated operating temperatures. When operating at elevated temperatures, aluminum conductors begin to anneal and lose tensile strength. Each elevated temperature event adds further damage to the conductor. After a loss of 10% of a conductor's RTS, significant sag occurs, requiring either resagging or replacement of the conductor.

Phase to phase power arcs can result from conductor galloping during severe storm events. This can cause localized burning and melting of a conductor's aluminum strands, reducing strength at those sites and potentially leading to conductor failures. Visual inspection readily detects arcing damage.

Other forms of conductor damage include:

- Broken strands (i.e., outer and inners)
- Strand abrasion
- Elongation (i.e., change in sags and tensions)
- Burn damage (i.e., power arc/clashing)
- Birdcaging

The degradation of copper wire is mostly due to corrosion. Oxidization gives copper a high resistance to corrosion. Derivatives of chlorine and sulfur contained in coastal atmospheres start the oxidation by forming a blackish or greenish film. The film is very dense, has low solubility, high electric resistance and high resistance to the chemical attack and to corrosion. Despite this, mechanical vibrations, abrasion, erosion and thermal variations may cause fissures and faults in this layer. When this happens, the metal is uncovered and corrosion may occur. Also electrolytes with low Cl contents could enter, causing a dislocation of the passivity. This may also be the result of a deficit of oxygen which would make the area anodic.

6.2 System Hierarchy

The Wire asset category belongs to the Overhead Lines assets grouping.

6.3 Useful Life and Typical Life

The useful life of conductors is in the range of 50 to 77 years; the typical life is 60 years.

6.4 Time Based Maintenance Intervals

Overhead conductors are not subject to planned maintenance.

6.5 Impact of Utilization Factors

This asset is impacted by Mechanical Stress, Electrical Loading and Environmental Conditions.

7 Pole Mounted Transformers

Distribution pole top mounted transformers change sub-transmission or primary distribution voltages to 120/240 V or other common voltages for use in residential and commercial applications.

7.1 Degradation Mechanism

It has been demonstrated that the life of the transformer's internal insulation is related to temperature-rise and duration. Therefore, transformer life is affected by electrical loading profiles and length of time in service. Other factors such as mechanical damage, exposure to corrosive salts, and voltage and current surges also have a strong effect. Therefore, a combination of condition, age and load based criteria is commonly used to determine the useful remaining life of distribution transformers.

The impacts of loading profiles, load growth, and ambient temperature on asset condition, loss-of-life, and life expectancy can be assessed using methods outlined in ANSI/IEEE Loading Guides. This also provides an initial baseline for the size of transformer that should be selected for a given number and type of customers to obtain optimal life.

7.2 System Hierarchy

The Pole Mounted Transformer asset category belongs to the Overhead Lines assets grouping.

7.3 Useful Life and Typical Life

The useful life of the pole mounted transformer is in the range of 30 to 60 years, with a typical value close to 40 years.

7.4 Time Based Maintenance Intervals

Pole mounted distribution transformers are not subject to planned maintenance.

7.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions.

8 Manual Overhead Line Switches

This asset class consists of overhead line switches. The primary function of switches is to allow for isolation of line sections or equipment for maintenance, safety or other operating requirements. The operating control mechanism can be either a simple hook stick or manual gang.

8.1 Degradation Mechanism

The main degradation processes associated with manually operated line switches include the following, with rate and severity depending on operating duties and environment:

- Corrosion of steel hardware or operating rod
- Mechanical deterioration of linkages
- Switch blades falling out of alignment
- Loose connections
- Non functioning padlocks
- Insulators damage
- Missing ground connections
- Missing nameplates for proper identification

8.2 System Hierarchy

Overhead Switches asset category belongs to the Overhead Lines assets grouping.

8.3 Useful Life and Typical Life

The useful life of manually operated switches is in the range of 30 to 60 years; the typical life is 50 years.

8.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for manually operated overhead switches is two years.

8.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions.

9 Local Motorized Overhead Line Switches

This asset class consists of overhead line three-phase, gang operated switches and a motor. The primary function of switches is to allow for isolation of line sections or equipment for maintenance, safety or other operating requirements. The operating control mechanism is controlled by a motor.

9.1 Degradation Mechanism

Like the remotely operated switch, the main degradation processes associated with local motorized overhead switches include the following:

- Corrosion of steel hardware or operating rod
- Mechanical deterioration of linkages
- Switch blades falling out of alignment
- Loose connections
- Non functioning padlocks
- Insulators damage
- Missing ground connections
- Missing nameplates for proper identification

The rate and severity of degradation are a function on operating duties and environment.

9.2 System Hierarchy

Local Motorized Overhead Switches category belongs to the Overhead Lines assets grouping.

9.3 Useful Life and Typical Life

The local motorized overhead switch can be componentized into two components:

- Switch
- Motor

9.3.1 *Switch*

The useful life of the switch is in the range of 30 to 60 years; the typical life is 50 years (the same as for Manually Operated Overhead switch in section 8.3 of this report).

9.3.2 *Motor*

The useful life of the motor of local motorized switches is in the range of 15 to 20 years; the typical life is about 20 years.

9.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for local motorized switches is every two years.

9.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions.

10 Remote Automated Overhead Line Switches

This asset class consists of overhead line three-phase, gang operated switches. The primary function of switches is to allow for isolation of line sections or equipment for maintenance, safety or other operating requirements. While some categories of the switches are rated for load interruption, others are designed to operate under no load conditions and operate only when the current through the switch is zero. Most distribution line switches are rated 600 to 900 A continuous rating. Switches when used in conjunction with cutout fuses provide short circuit interruption rating. Disconnect switches are sometimes provided with padlocks to allow staff to obtain work permit clearance with the switch handle locked in open position. This component also consists of a remote terminal unit (RTU) component.

10.1 Degradation Mechanism

The main degradation processes associated with line switches include:

- Corrosion of steel hardware or operating rod
- Mechanical deterioration of linkages
- Switch blades falling out of alignment
- Loose connections
- Non functioning padlocks
- Insulators damage
- Missing ground connections
- Missing nameplates for proper identification

The rate and severity of these degradation processes depends on a number of inter-related factors including the operating duties and environment in which the equipment is installed. In most cases, corrosion or rust represents a critical degradation process. The rate of deterioration depends heavily on environmental conditions in which the equipment operates. Corrosion typically occurs around the mechanical linkages of these switches. Corrosion can cause seizing. When lubrication dries out, the switch operating mechanism may seize making the disconnect switch inoperable. In addition, when blades fall out of alignment, excessive arcing may result. While a lesser mode of degradation, air pollution also can affect support insulators. Typically, this occurs in heavy industrial areas or where road salt is used.

10.2 System Hierarchy

Remote Automated Overhead switches asset category belongs to the Overhead Lines assets grouping.

10.3 Useful Life and Typical Life

The remote automated overhead switch can be componentized into three components:

- Switch
- Motor
- Remote Terminal Unit (RTU)

10.3.1 *Switch*

The useful life of the switch is in the range of 30 to 60 years; the typical life is 50 years (the same as for Manually Operated Overhead Switch in section 8.3 of this report).

10.3.2 *Motor*

The useful life of a motor is in the range of 15 to 20 years; the typical life is 20 years (the same as for Local Motorized Overhead Switch in section 9.3.2 of this report).

10.3.3 *Remote Terminal Unit (RTU)*

The useful life of an RTU is in the range of 15 to 30 years; the typical life is 20 years.

10.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for remote automated overhead switches is every two years.

10.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions.

11 Fuse Cutouts

This asset is applied on overhead transformers, capacitors, cables or lines. Fuse Cutouts will interrupt all faults including low current that will melt the fuse link and high rated interrupting current so long as the system is under realistic transient-recovery-voltage conditions.

11.1 Degradation Mechanism

The major degradation of fuse cutouts is on fuse body. There are several degradation modes in practice including the production of carbon from organic materials in the fuse, generation of water vapor to assist current interruption and electrical breakdown in high stress areas of the core.

The production of carbon from organic materials in the fuse body is one degradation mode in practice. This carbon is not produced until a particular body temperature is reached, and the time for this to occur depends on the fuse design. The most critical factors would appear to include the heat generated in the fulgurite, the distance between the fulgurite and the fuse body, the thermal conductivity of the filler material, and the breakdown temperature of the organic material.

For some fuses that generate water vapor to assist current interruption, the water is deposited on the inside surface of the body. Treeing is observed on the surface, ultimately leading to a steady increase in leakage current until failure.

For the fuse cores that contain organic material, hollow core is developed at high temperature due to release of water molecules, resulting in electrical breakdown in high stress areas of the core in certain designs.

11.2 System Hierarchy

Fuse Cutouts asset category belongs to the Overhead Lines assets grouping.

11.3 Useful Life and Typical Life

The useful life of fuse cutouts is in the range of 30 to 60 years; the typical life is 40 years.

11.4 Time Based Maintenance Intervals

Fuse Cutouts are not subject to planned maintenance

11.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions.

12 Voltage Regulators

Voltage regulators are static devices that perform step-up and step-down voltage change operations. Distribution line transformers change the medium or low distribution voltage to 120/240 V or other common voltages for use in residential and commercial applications.

12.1 Degradation Mechanism

It has been demonstrated that the life of the voltage regulator's internal insulation is related to temperature-rise and duration. Therefore, voltage regulator life is affected by electrical loading profiles and length of time in service. Other factors such as mechanical damage, exposure to corrosive salts, and voltage and current surges also have a strong effect. Therefore, a combination of condition, age and load based criteria is commonly used to determine the useful remaining life of voltage regulators.

The impacts of loading profiles, load growth, and ambient temperature on asset condition, loss-of-life, and life expectancy can be assessed using methods outlined in ANSI/IEEE Loading Guides. This also provides an initial baseline for the size of voltage regulator that should be selected for a given number and type of customers to obtain optimal life. There is also the operating practices affect on voltage regulators. If it is a strong system, the voltage regulator may not need to step-up or step-down the voltage, in which case there would be less stress on the device itself.

12.2 System Hierarchy

Voltage Regulators asset category belongs to the Overhead Lines assets grouping.

12.3 Useful Life and Typical Life

The useful life of voltage regulators is in the range of 15 to 40 years; the typical life is 20 years.

12.4 Time Based Maintenance Intervals

Voltage Regulators are not subject to planned maintenance.

12.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices.

13 Reclosers

This asset class consists of light duty circuit breakers equipped with interrupters that use controllers. This is where the breaking and making of fault current takes place. The interrupters use oil of vacuum as the insulating agent. The controllers are either hydraulic or electric. It is designed for single phase or three phase use, depending on the model.

13.1 Degradation Mechanism

The degradation processes associated with reclosers involves the effects of making and breaking fault current, the mechanism itself and deterioration of components. The effects of making and breaking fault current affect suppression devices as well as the contacts, the oil, and the arc control. The degradation of these devices depends on the prevailing fault, if it is well below the rated capability of the recloser, the deteriorating effects will be small. For the mechanism itself, deterioration or mal-operation of the mechanism causes deterioration during operation. Typically lack of use, corrosion and poor lubrication are the main causes of mechanism mal-function. For deterioration, exposure to weather is a potentially significant degradation process – primarily corrosion of the tank and other metallic components and deterioration of bushings.

13.2 System Hierarchy

Recloser asset category belongs to the Overhead Lines assets grouping.

13.3 Useful Life and Typical Life

Reclosers can be categorized into two components:

- Breaker
- RTU

Breakers can be categorized into two types and the useful life is dependent on the type:

- Vacuum
- Oil

13.3.1 *Breaker*

The useful life of <u>Vacuum</u> breakers is in the range of 30 to 40 years; the typical life is 40 years.

The useful life of <u>Oil</u> breakers is in the range of 30 to 60 years; the typical life is 42 years.

13.3.2 *RTU*

The useful life of recloser RTUs is in the range of 15 to 30 years; the typical life is 20 years.

13.4 Time Based Maintenance Intervals

The typical routine testing/maintenance schedule for the breaker component of reclosers is every ten years.

13.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Operating Practices.

14 Station Service Transformers

The station service transformers are the small transformers are configured to provide power to the auxiliary equipment, such as fans, pumps, heating, or lighting, in the distribution station. The most reliable source of such power is directly from the transmission or distribution lines. This report refers to both to both dry type and other types of transformers.

14.1 Degradation Mechanism

As with most transformers, end of life is typically a result of insulation failure, particularly paper insulation. The oil and paper insulation degrade as oxidation takes place in the presence of oxygen, high temperature, and moisture. Acids, particles, and static electricity also have degrading effects to the insulation.

For dry type transformers, the major degradation factors are dirt and moisture. Dirt will contaminate insulation surfaces allowing the formation of conductive paths along the surfaces and eventually to ground. In the case of ventilated dry type transformers, the windings are in direct contact with the air. External air-carrying contaminants or excessive moisture could reduce winding insulation. Dust and dirt accumulation can also reduce air circulation through windings, which eventually shorten the life expectancy of a dry type transformer.

14.2 System Hierarchy

Station service transformers are considered part of the Transmission Stations assets grouping.

14.3 Useful Life and Typical Life

The useful life of a station service transformer is based on the transformer type:

- Dry Type
- Other

14.3.1 *Dry Type*

The useful life of dry type station service transformers is in the range of 20 to 40 years; the typical life is 30 years.

14.3.2 *Other*

The useful life of other station service transformers is in the range of 32 to 55 years; the typical life is 45 years.

14.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for these transformers is three years.

14.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions. If this device is running within an electrically stable system there will be less stress imposed on it.

15 TS Power Transformers

While power transformers can be employed in either step-up or step-down mode, a majority of the applications in transmission and distribution stations involve step down of the transmission or sub-transmission voltage to distribution voltage levels. Power transformers vary in capacity and ratings over a broad range. There are two general classifications of power transformers: transmission station transformers and distribution station transformers. For transformer stations, when step down from 230kV or 115kV to distribution voltage is required, ratings may range from 30MVA to 125 MVA. The Consortium typically uses TS Power Transformers rated 75/125 MVA.

15.1 Degradation Mechanism

Transformers operate under many extreme conditions, and both normal and abnormal conditions affect their aging and breakdown. They are subject to thermal, electrical, and mechanical aging. Overloads cause above-normal temperatures, through-faults can cause displacement of coils and insulation, and lightning and switching surges can cause internal localized over-voltages.

For a majority of transformers, end of life is a result of the failure of insulation, more specifically, the failure of pressboard and paper insulation. While the insulating oil can be treated or changed, it is not practical to change the paper and pressboard insulation. The condition and degradation of the insulating oil, however, plays a significant role in aging and deterioration of the transformer, as it directly influences the speed of degradation of the paper insulation. The degradation of oil and paper in transformers is essentially an oxidation process. The three important factors that impact the rate of oxidation of oil and paper insulation are the presence of oxygen, high temperature, and moisture. Particles and acids, as well as static electricity in oil cooled units, also affect the insulation.

Tap changers and bushing are major components of the power transformer. Tap changers are complex mechanical devices and are therefore prone to failure resulting from either mechanical or electrical degradation. Bushings are subject to aging from both electrical and thermal stresses.

15.2 System Hierarchy

Power Transformers belong to the Transformer Stations assets grouping.

15.3 Useful Life and Typical Life

This asset could be componentized into the following components:

- Winding
- Manual/Automatic On Load Tap Changer

15.3.1 *Winding*

The useful life of the winding can be in the range of 32-55 years, depending on the loading condition and ambient operating temperature, and routine maintenance practices. A typical life of 45 years can be expected for the winding system.

15.3.2 *Manual/Automatic On Load Tap Changer*

The useful life range of the manual or automatic on load tap changer, assuming it is vacuum type, is 20-60 years; the typical life is 20 years.

15.4 Time Based Maintenance Intervals

For TS power transformers, the typical routine testing/maintenance interval is two years.

15.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices. It is specifically the on load tap changer component that is affected by operating practices. If this device is running within an electrically stable system there will be less stress imposed on it.

16 MS Power Transformers

Power transformers at distribution stations typically step down voltage to distribution levels. Ratings typically range from 5 MVA to 30 MVA. The Consortium typically uses MS Power Transformers rated 20/33.3 MVA.

16.1 Degradation Mechanism

The degradation of the power transformers at municipal stations or at customer sites is similar to that of the transformers at transmission stations. These transformers are subject to electrical, thermal, and mechanical aging. Degradation of the insulating oil, and more significantly, paper insulation, typically results in end of life. Insulation degradation is a result of oxidation, a process that occurs in the presence of oxygen, high temperature, and moisture. For oil cooled transformers, particles, acids, and static electricity will also deteriorate the insulation.

Tap changers and bushing are major components of the power transformer. Tap changers are prone to failure resulting from either mechanical or electrical degradation. Bushings are subject to aging from both electrical and thermal stresses.

16.2 System Hierarchy

MS Power Transformer asset category belongs to the Municipal Stations assets grouping.

16.3 Useful Life and Typical Life

The power transformer also has major components that have different useful lives. Componentization is as follows:

- Winding
- Manual/Automatic On Load Tap Changer

16.3.1 *Winding*

The useful life of windings is 32 to 55 years; the typical life is 45 years.

16.3.2 *Manual/Automatic On Load Tap Changer*

The useful life range of the manual or automatic tap changer, assuming it is vacuum type, is 20 to 60 years; the typical life is 20 years.

16.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for these transformers is two years.

16.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices. It is specifically the on load tap changer component that is affected by operating practices. If this device is running within an electrically sound system there will be less stress imposed on it.

17 DC Station Service

The DC station service asset class includes battery banks and chargers. Equipment within transmission and municipal stations must be provided with a guaranteed source of power to ensure they can be operated under all system conditions, particularly during fault conditions. There is no known way to store AC power so the only guaranteed instantaneous power source must be DC, based on batteries.

17.1 Degradation Mechanism

Effective battery life tends to be much shorter than many of the major components in a station. The deterioration of a battery from an apparently healthy condition to a functional failure can be rapid. This makes condition assessment very difficult. However, careful inspection and testing of individual cells often enables the identification of high risk units in the short term.

It is well understood in the utility industry that regular inspection and maintenance of batteries and battery chargers is necessary. In most cases the explicit reason for carrying out regular maintenance inspection is to detect minor defects and rectify them. However, critical examination of trends in maintenance records can give an early warning of potential failures.

Despite the regular and frequent maintenance and inspection of battery systems, failures in service are still relatively frequent. For this reason, many utilities employ battery monitors and alarm systems. The earlier versions of these are still widely used and are relatively unsophisticated devices that measure basic battery parameters with pre-set alarm levels. More modern monitoring devices have the ability to identify a potential failure as it develops and to provide a warning.

Although battery deterioration is difficult to detect, any changes in the electrical characteristics or observation of significant internal damage can be used as sensitive measures of impending failure. Batteries consist of multiple individual cells. While the significant deterioration/failure of an individual cell may be an isolated incident, detection of deterioration in a number of cells in a battery is usually the precursor to widespread failure and functional failure of the total battery.

Battery chargers are also critical to the satisfactory performance of the whole battery system. Battery chargers are relatively simple electronic devices that have a high degree of reliability and a significantly longer lifetime than the batteries themselves. Nevertheless, problems do occur. As with other electronic devices, it is difficult to detect deterioration prior to failure. It is normal practice during the regular maintenance and inspection process to check the functionality of the battery chargers, in particular the charging rates. Where any functional failures are detected it would be normal to replace the battery charger.

17.2 System Hierarchy

DC station services belong to Municipal Stations assets grouping.

17.3 Useful Life and Typical Life

This asset also has two major components that have differing useful lives:

- Battery Banks
- Charger

17.3.1 *Battery Bank*

The battery bank has a useful life range of 10 to 30 years; typical life is 20 years.

17.3.2 *Charger*

The charger has a useful life range of 20 to 30 years; typical life is 20 years.

17.4 Time Based Maintenance Intervals

Typically, routine testing/maintenance for batteries are conducted annually. The maintenance of schedule battery chargers is typically coordinated with that of the battery.

17.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices. This device cannot be overloaded, last longer when there is not extreme cold weather conditions and only the battery bank component is affected by operating practices (i.e., it only runs if the AC fails).

18 Air Insulated Switchgear

Air Insulated Switchgear consists of an assembly of retractable/racked switchgear devices that are totally enclosed in a metal envelope (metal-enclosed). These devices operate in the medium voltage range, from 4.16 to 44 kV. The switchgear includes breakers, disconnect switches, or fusegear, current transformers (CTs), voltage transformers (VTs) and occasionally some or all of the following: metering, protective relays, internal DC and AC power, battery charger(s), and AC station service transformation. The gear is modular in that each breaker is enclosed in its own metal envelope (cell). The gear also is compartmentalized with separate compartments for breakers, control, incoming/outgoing cables or bus duct, and bus-bars associated with each cell.

18.1 Degradation Mechanism

Switchgear degradation is a function of a number of different factors: mechanism operation and performance, degradation of solid insulation, general degradation/corrosion, environmental factors, or post fault maintenance (condition of contacts and arc control devices). Degradation of the breaker used is also a factor. However the degradation mechanism differs slightly between switchgear types: air insulated and gas insulated.

Correct operation of the mechanism is critical in devices that make or break fault currents, i.e. the contact opening and closing characteristics must be within specified limits. The greatest cause of mal-operation of switchgear is related to mechanism malfunction. Deterioration due to corrosion or wear due to lubrication failure may compromise mechanism performance by either preventing or slowing down the operation of the breaker. This is a serious issue for all types of switchgear.

In older air filled equipment, degradation of active solid insulation (for example drive links) has been a significant problem for some types of switchgear. Some of the materials used in this equipment, particularly those manufactured using cellulose-based materials (pressboard, SRBP, laminated wood) are susceptible to moisture absorption. This results in a degradation of their dielectric properties that can result in thermal runaway or dielectric breakdown. An increasingly significant area of solid insulation degradation relates to the use of more modern polymeric insulation. Polymeric materials, which are now widely used in switchgear, are very susceptible to discharge damage. These electrical stresses must be controlled to prevent any discharge activity in the vicinity of polymeric material. Failures of relatively new switchgear due to discharge damage and breakdown of polymeric insulation have been relatively common over the past 15 years.

Temperature, humidity and air pollution are also significant degradation factors, so indoor units tend to have better long-term performance. The safe and efficient operation of switchgear and its longevity may all be significantly compromised if the substation environment is not adequately controlled. In addition, the air switchgear can tolerate less number of full fault operations before maintenance is required.

18.2 System Hierarchy

Switchgear asset category belongs to the Municipal Stations assets grouping.

18.3 Useful Life and Typical Life

This asset also has several major components, each with a different useful life:

- Breaker (SF6, Vacuum, Air Magnetic)
- Switchgear Assembly

18.3.1 *Breaker*

The useful life range of SF6 type breaker in air insulated switchgear is 30 to 60 years; typical life is 42 years.

The useful life range of vacuum type breaker in air insulated switchgear is 30 to 60 years; typical life is 40 years.

The useful life range of air magnetic type breaker in air insulated switchgear is 25 to 60 years; typical life is 40 years.

18.3.2 *Switchgear Assembly*

The useful life range of switchgear assembly is 40 to 60 years; typical life is 50 years.

18.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset is six years.

18.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices. It is specifically the breaker component that is affected by operating practices. If this device is running within an electrically system there will be less stress imposed on it. It is specifically the switchgear assembly component that is affected by environmental factors, specifically temperature.

19 Gas Insulated Switchgear

The latest design of metalclad gear is the Gas Insulated Switchgear (GIS), which uses low-pressure SF6 gas as a general insulation medium, as a replacement for the air. The insulation within the metal enclosure is not necessarily the same as the working fluid in the breakers themselves, which presently is either SF6 or vacuum.

19.1 Degradation Mechanism

Switchgear degradation is a function of a number of different factors: mechanism operation and performance, degradation of solid insulation, general degradation/corrosion, environmental factors, or post fault maintenance (condition of contacts and arc control devices). Degradation of the breaker used is also a factor. However the degradation mechanism differs slightly between switchgear types: air insulated and gas insulated.

Generally, mechanism malfunction causes most operational problems in GIS. Corrosion and lubrication failure may compromise mechanism performance by preventing or slowing its operation.

Solid insulation such as that in entrance bushings, internal support insulators, plus breaker and switch operating rods have caused many GIS failures. Manufacturing, shipping, installing, maintaining and operating the GIS can cause defects in the insulation. Defects include voids in epoxy insulators, delamination of epoxy and metallic hardware, and protrusions on conductors. In floating components, fixed and moving particles can lead to failures. Partial discharge (PD) activity usually leads to flashovers.

Corrosion and general deterioration increase risks of moisture ingress and SF6 leaks, particularly in outdoor GIS. If not treated, these factors may cause the end-of-life for GIS.

GIS is designed and manufactured for outdoor use, but it generally has better long-term performance when installed indoors. Outdoor GIS, particularly older ITE designs, have higher than acceptable SF6 gas leaks because of the poor quality of fittings, connectors, valves, by-pass piping, general enclosure porosity and flange corrosion. Indoor installations reduce problems from corrosion, moisture ingress, low ambient temperatures and SF6 leaks.

GIS have more costly, difficult and time-consuming post fault maintenance requirements than air insulated switchgear. Older GIS have even more post-fault maintenance problems. Accessibility, fault location, fault level and duration, degree of compartmentalization, isolation requirements, pressure relief, burn-through protection, parts and service capabilities all help determine post-fault maintenance needs.

19.2 System Hierarchy

Switchgear asset category belongs to the Municipal Stations assets grouping.

19.3 Useful Life and Typical Life

This asset also has several major components, each with a different useful life:

- Breaker (SF6, Vacuum, Air Magnetic)
- Switchgear Assembly

19.3.1 *Breaker*

The useful life range of SF6 type breaker in air insulated switchgear is 30 to 60 years; typical life is 42 years.

The useful life range of vacuum type breaker in air insulated switchgear is 30 to 60 years; typical life is 40 years.

The useful life range of air magnetic type breaker in air insulated switchgear is 25 to 60 years; typical life is 40 years.

19.3.2 *Switchgear Assembly*

The useful life range of switchgear assembly is 40 to 60 years; typical life is 50 years.

19.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset is six years.

19.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices. It is specifically the breaker component that is affected by operating practices. If this device is running within an electrically system there will be less stress imposed on it. It is specifically the switchgear assembly component that is affected by environmental factors, specifically temperature.

20 Building

Buildings at major transformer and municipal stations house the switchgear, relays and controls and serve as a base for administrative and service work. This asset includes the building itself (foundations, walls), roof, and fence.

20.1 Degradation Mechanism

The following contribute to the degradation of this asset:

- Building age
- Structural condition of loading members
- Condition of floors, walls and ceilings
- Protection against weather elements
- Environmental concerns
- Functional requirements

Buildings are a very maintainable asset. The capital cost of replacement is high enough that the lowest long term cost is achieved even with quite high levels of annual maintenance. Age alone is a very poor indicator of end of life. Rather impacts such as environmental rain, wind and snow storms contribute highly to the degradation of buildings. It is the potential water ingress with poses the most danger to the asset due to the presence of electrical equipment. In order to prevent this, the buildings must be weatherproof.

Also, since the foundation materials typically consist of reinforced concrete designed to consider environmental elements including soil conditions and climate. Landscaping is used to control soil erosion, maintain site cleanliness and facilitate an efficient and safe work environment.

Preventative maintenance helps ensure long-term integrity of buildings. This type of maintenance should be done on a regular basis. As well the occasional refurbishment of doors, windows and roofs helps with the viability of the building.

The building roof is the most susceptible to degradation due to environmental factors. The roof is typically level and composed of tar and an aggregate that is designed to keep the wind from wearing at the tar. Nevertheless, the roof is still susceptible to environmental degradation and if not sealed properly can become a source of flooding. The maintenance of the roof is generally the largest undertaking for buildings.

20.2 System Hierarchy

Building asset category belongs to the Municipal Stations assets grouping.

20.3 Useful Life and Typical Life

The overall useful life range of the building itself is 30 to 80 years; the typical life is 50 years.

This asset also has two other major components, each of which has a different useful life. From a maintenance practice perspective, the building can be componentized into the following:

- Roof
- Fence

20.3.1 *Roof*

The useful life of the roof can be in the range of 15 to 20 years, with a typical life of 20 years.

20.3.2 *Fence*

The useful life range of the fence is 30 to 45 years, with a typical life of 35 years.

20.4 Time Based Maintenance Intervals

The typical routine inspection interval for this asset is every year.

20.5 Impact of Utilization Factors

This asset is impacted by Mechanical Stress and Environmental Conditions.

21 Station Grounding System

The station grounding system asset refers to grounding rods and connectors. Grounding systems in stations dissipate maximum ground fault currents without interfering with power system operation or causing voltages dangerous to people or equipment. Safety hazards from inadequate grounding include excessive ground potential rises and excessive step and touch potentials. Generally, grounding system assets provide suitable paths for ground currents to follow from power equipment and conductors into the earth. Consequently, complete grounding systems include buried conductors, ground rods and connections, plus soil and vegetation in the area. Soil and vegetative conditions affect water retention and drainage, which impact overall performance of the grounding system.

21.1 Degradation Mechanism

Station grounding systems keep ground potential rise, step and touch potentials below specified limits when maximum (i.e. worst case) ground faults occur. Under fault conditions, the following factors determine step and touch potentials:

- Magnitude of the fault current
- Resistance of ground combined with the ground grid consisting of station electrodes, transmission line sky wires and distribution neutrals
- Ground resistivity of upper and lower layers of earth.

Increases in system capacity and fault currents at a station may lead to unacceptable performance of the ground grid. Corrosion of buried conductors and connectors, mechanical damage to buried electrodes, plus burning-off of grounding conductors and connectors during heavy fault currents also may lead to unsatisfactory performance. Further, changes in resistivity of upper or lower layers of earth may adversely affect ground grid characteristics.

21.2 System Hierarchy

Station Grounding Systems asset category belongs to the Municipal Stations assets groupings.

21.3 Useful Life and Typical Life

Station grounding systems have a useful life range of 25 to 50 years; the typical life is 40 years.

21.4 Time Based Maintenance Intervals

Station Grounding Systems are not subject to planned maintenance.

21.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

22 Underground Primary Cables

Distribution underground cables are mainly used in urban areas where it is either impossible or extremely difficult to build overhead lines due to aesthetic, legal, environmental and safety reasons. The initial capital cost of a distribution underground cable circuit is three or more times the cost of an overhead line of equivalent capacity and voltage. The cross linked polyethylene (XLPE) cable is the type of underground distribution cables used by Consortium. While XLPE underground cable can be installed in ducts (and concrete enclosed ducts), it can also be directly buried.

Cable terminations are designed to separate the cable ground from the conductor in a safe and controlled manner. Inside the cable, ground and high voltage are separated by only a few millimeters. This distance is much too small to support any voltage. Therefore the termination must increase this separation while being able to withstand the surrounding environment.

22.1 Degradation Mechanism

Over the past 30 years XLPE insulated cables have all but replaced paper-insulated cables. These cables can be manufactured by a simple extrusion of the insulation over the conductor and therefore are much more economic to produce. In normal cable lifetime terms XLPE cables are still relatively young. Therefore, failures that have occurred can be classified as early life failures. Certainly in the early days of polymeric insulated cables their reliability was questionable. Many of the problems were associated with joints and accessories or defects introduced in the manufacturing process. Over the past 30 years many of these problems have been addressed and modern XLPE cables and accessories are generally very reliable.

Polymeric insulation is very sensitive to discharge activity. It is therefore very important that the cable, joints and accessories are discharge free when installed. Discharge testing is, therefore, an important factor for these cables. This type of testing is conducted during commissioning and is not typically used for detection of deterioration of the insulation. These commissioning tests are an area of some concern for polymeric cables because the tests themselves are suspected of causing permanent damage and reducing the life of polymeric cables.

Water treeing is the most significant degradation process for polymeric cables. The original design of cables with polymeric sheaths allowed water to penetrate and come into contact with the insulation. In the presence of electric fields water migration can result in treeing and ultimately breakdown. The rate of growth of water trees is dependent on the quality of the polymeric insulation and the manufacturing process. Any contamination voids or discontinuities will accelerate degradation. This is assumed to be the reason for poor reliability and relatively short lifetimes of early polymeric cables. As manufacturing processes have improved the performance and ultimate life of this type of cable has also improved.

The major degradation problems with the cable terminations concern mostly flashover and tracking associated with the outside and interior surfaces of the accessory. However, there are also problems of overheating at connections and voltage control at the end of the cable shield.

22.2 System Hierarchy

Underground Primary Cables asset category belongs to the Underground Systems assets grouping.

22.3 Useful Life and Typical Life

The overall useful life range of the cable itself is dependent on the cable type and component:

- TR-XLPE (In Duct, In Concrete Encased Duct, Direct Buried)
- Termination

22.3.1 *TR-XLPE*

The useful life range of in duct cable is 40 to 60 years; the typical life is 40 years.

The useful life range of in concrete encased duct cable is 40 to 60 years; the typical life is 40 years.

The useful life range of direct buried cable is 20 to 40 years; the typical life is 25 years.

22.3.2 *Termination*

The useful life range of termination component of underground cable is 25 to 60 years; the typical life is 40 years.

22.4 Time Based Maintenance Intervals

Underground Primary Cables are not subject to planned maintenance.

22.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions.

23 Underground Secondary Cables

Secondary underground cables are used to supply customer premises. The Polyethylene Insulated (PI) and PVC Jacket (PIJ) are similar to the XLPE cables described above, and are assumed to be in duct.

23.1 Degradation Mechanism

Underground secondary conductors are typically insulated with polyethylene. Polyethylene insulation is very sensitive to discharge activity. It is therefore very important that the cable, joints and accessories are discharge free when installed. These commissioning tests are an area of some concern for polyethylene cables because the tests themselves are suspected of causing permanent damage and reducing the life of polymeric cables. However those with the PVC jacket have further insulation to prevent some deterioration of the insulation.

23.2 System Hierarchy

Underground Secondary Cables are used in the Underground system.

23.3 Useful Life and Typical Life

The underground secondary cable can be categorized into two types:

- Polyethylene Insulated
- PVC Jacket

23.3.1 *Polyethylene Insulated*

The useful life range of in polyethylene insulated cable is 40 to 60 years; the average life is 40 years.

23.3.2 *PVC Jacket*

The useful life range of in PVC jacket cable is 40 to 60 years; the average life is 40 years.

23.4 Time Based Maintenance Intervals

Underground Secondary Cables are not subject to planned maintenance

23.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading and Environmental Conditions.

24 Distribution Transformer

This asset class consists of the transformer and elbows and inserts associated with the system. There are three types of transformers that Consortium uses: Pad Mounted, Vault and Submersible.

Pad mounted transformers typically employ sealed tank construction and are liquid filled, with mineral insulating oil being the predominant liquid. Vault transformers typically employ sealed tank construction and are liquid filled with mineral insulating oil. Submersible transformers typically employ sealed tank construction and are liquid filled with mineral insulating oil.

24.1 Degradation Mechanism

The pad-mounted transformer has a similar degradation mechanism to other distribution transformers. It has been demonstrated that the life of the transformer's internal insulation is related to temperature rise and duration. Therefore, the transformer life is affected by electrical loading profiles and length of service life. Other factors such as mechanical damage, exposure to corrosive salts, and voltage current surges also have strong effects. Therefore, a combination of condition, age, and load based criteria is commonly used to determine the useful remaining life.

In general, the following are considered when determining the health of the pad-mounted transformer:

- Tank corrosion, condition of paint
- Extent of oil leaks
- Condition of bushings
- Condition of padlocks, warning signs, etc.
- Transfer operating age and winding temperature profile

The vault transformer and submersible transformer have a similar degradation mechanism to other distribution transformers. The life of the transformer's internal insulation is related to temperature rise and duration, so transformer life is affected by electrical loading profiles and length of service life. Mechanical damage, exposure to corrosive salts, and voltage current surges has strong effects. In general, a combination of condition, age, and load based criteria is commonly used to determine the useful remaining life.

24.2 System Hierarchy

Distribution Transformers asset category belongs to the Underground Systems asset grouping.

24.3 Useful Life and Typical Life

The overall useful life range of the transformer itself is dependent on the component:

- Transformer (Pad Mounted, Vault, Submersible)
- Elbows and Inserts

24.3.1 *Transformer*

The useful life range of pad mounted distribution transformers are 30 to 40 years; the typical life is 40 years.

The useful life range of vault distribution transformers is 30 to 40 years; the typical life is 40 years.

The useful life range of submersible distribution transformers is 25 to 40 years; the typical life is 35 years.

24.3.2 *Elbows and Inserts*

The useful life range of the elbows and inserts component of distribution transformers is 20 to 60 years; the typical life is 40 years.

24.4 Time Based Maintenance Intervals

Distribution Transformers are not subject to planned maintenance.

24.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices. The operating practices impact only the elbows and inserts component of the asset.

25 Pad Mounted Switchgear

Pad-mounted switchgear is used for protection and switching in the underground distribution system. The switching assemblies can be classified into air insulated, SF6 load break switches and vacuum fault interrupters. A majority of the pad mounted switchgear currently employs air-insulated gang operated load-break switches.

25.1 Degradation Mechanism

The pad-mounted switchgear is very infrequently used for switching and often used to drop loads way below its rating. Therefore, switchgear aging and eventual end of life is often established by mechanical failures, e.g. rusting of the enclosures or ingress of moisture and dirt into the switchgear causing corrosion of operating mechanism and degradation of insulated barriers.

The first generation of pad mounted switchgear was first introduced in early 1970’s and many of these units are still in good operating condition. The life expectancy of pad-mounted switchgear is impacted by a number of factors that include frequency of switching operations, load dropped, presence or absence of corrosive environmental and absence of existence of dampness at the installation site.

In the absence of specifically identified problems, the common industry practice for distribution switchgear is running it to end of life, just short of failure. To extend the life of these assets and to minimize in-service failures, a number of intervention strategies are employed on a regular basis: e.g. inspection with thermographic analysis and cleaning with CO2 for air insulated pad-mounted switchgear. If problems or defects are identified during inspection, often the affected component can be replaced or repaired without a total replacement of the switchgear.

Failures of switchgear are most often not directly related to the age of the equipment, but are associated instead with outside influences. For example, pad-mounted switchgear is most likely to fail due to rodents, dirt/contamination, vehicle accidents, rusting of the case, and broken insulators caused by misalignment during switching. All of these causes are largely preventable with good design and maintenance practices. Failures caused by fuse malfunctions can result in a catastrophic switchgear failure.

Aging and end of life is established by mechanical failures, such as corrosion of operating mechanism from rusting of enclosure or moisture and dirt ingress. Switchgear failure is associated more with outside influences rather than age. For example, switchgear failure is more likely to be caused by rodents, dirt or contamination, vehicle accidents, rusting of the case, and broken insulators caused by misalignment during switching.

25.2 System Hierarchy

Pad-Mounted Switchgear belongs to the Underground Systems assets grouping.

25.3 Useful Life and Typical Life

The overall useful life range of the switchgear itself is dependent on the pad mount switchgear type:

- Air Insulated
- Gas Insulated
- Solid Dielectric

25.3.1 *Air Insulated*

The useful life range of this air insulated pad mount switchgear is 20 to 40 years; the typical life is 30 years.

25.3.2 *Gas Insulated*

The useful life range of this gas insulated pad mount switchgear is 30 to 50 years; the typical life is 30 years.

25.3.3 *Solid Dielectric*

The useful life range of this solid dielectric pad mount switchgear is 30 to 50 years; the typical life is 30 years.

25.4 Time Based Maintenance Intervals

The typical routine inspection interval for this asset is three years.

25.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices.

26 Vault Switch

The vault switches used by Consortium are metal enclosed switch and metal enclosed cutout. These units are essentially pad mounted switchgear, enclosed in stainless steel containers, with the ability to be wall or ceiling mounted.

26.1 Degradation Mechanism

The degradation mechanism of this asset is similar to that of other types of pad mounted switchgear. Aging and end of life is established by mechanical failures, such as corrosion of operating mechanism from rusting of enclosure or moisture and dirt ingress. Switchgear failure is associated more with outside influences rather than age. For example, switchgear failure is more likely to be caused by rodents, dirt or contamination, vehicle accidents, rusting of the case, and broken insulators caused by misalignment during switching.

26.2 System Hierarchy

Vault Switches asset category belongs to the Underground Systems assets grouping.

26.3 Useful Life and Typical Life

The overall useful life range of the vault switch is dependent on the pad mount switchgear type:

- Metal Enclosed Switch
- Metal Enclosed Cutout

26.3.1 *Metal Enclosed Switch*

The useful life range of metal enclosed switch is 20 to 40 years; the typical life is 30 years.

26.3.2 *Metal Enclosed Cutout*

The useful life range of metal enclosed cutout is 30 to 60 years; the typical life is 40 years.

26.4 Time Based Maintenance Intervals

The typical routine inspection interval for this asset is 3 years.

26.5 Impact of Utilization Factors

This asset is impacted by Electrical Loading, Environmental Conditions and Operating Practices.

27 Utility Chamber

Utility Chambers facilitate cable pulling into underground ducts and provide access to splices and facilities that require periodic inspections or maintenance. They come in different styles, shapes and sizes according to the location and application. Pre-cast cable chambers are normally installed only outside the traveled portion of the road although some end up under the road surface after road widening. Cast-in-place cable chambers are used under the traveled portion of the road because of their strength and also because they are less expensive to rebuild if they should fail. Customer cable chambers are on customer property and are usually in a more benign environment. Although they supply a specific customer, system cables loop through these chambers so other customers could also be affected by any problems.

27.1 Degradation Mechanism

These assets must withstand the heaviest structural loadings that they might be subjected to. For example, when located in streets, utility chambers must withstand heavy loads associated with traffic in the street. When located in driving lanes, utility chamber chimney and collar rings must match street grading. Since utility chambers and vaults often experience flooding, they sometimes include drainage sumps and sump pumps. Nevertheless, environmental regulations in some jurisdictions may prohibit the pumping of utility chambers into sewer systems, without testing of the water for environmentally hazardous contaminants.

Although age is loosely related to the condition of underground civil structures, it is not a linear relationship. Other factors such as mechanical loading, exposure to corrosive salts, etc. have stronger effects. Utility chamber degradation commonly includes corrosion of reinforcing steel, spalling of concrete, and rusting of covers or rings. Acidic salts (i.e. sulfates or chlorides) affect corrosion rates. Utility chamber systems also may experience a number of deficiencies or defects. In roadways, defects exist when covers are not level with street surfaces. Conditions that lead to flooding, clogged sumps, and non-functioning sump-pumps also represent major deficiencies in a utility chamber system. Similarly, utility chamber systems with lights that do not function properly constitute defective systems. Deteriorating ductwork associated with utility chambers also requires evaluation in assessing the overall condition of a utility chamber system.

27.2 System Hierarchy

Utility Chambers asset category belongs to the Underground Systems assets grouping.

27.3 Useful Life and Typical Life

Utility chambers have a useful life range of 50 to 80 years; the typical life range is 60 years.

27.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset class is three years.

27.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

28 Duct

In areas such as road crossings, ducts provide a conduit for underground cables to travel. They are comprised of a number of ducts, in trench, and typically encased in concrete. Ducts are sized as required and are usually two to six inches in diameter.

28.1 Degradation Mechanism

The ducts connecting one utility chamber to another cannot easily be assessed for condition without excavating areas suspected of suffering failures. However, water ingress to a utility chamber that is otherwise in sound condition is a good indicator of a failure of a portion of the ductwork. Since there are no specific tests that can be conducted to determine duct integrity at reasonable cost, the duct system is typically treated on an ad hoc basis and repaired or replaced as is determined at the time of cable replacement or failure.

28.2 System Hierarchy

Ducts asset category belongs to the Underground Systems assets grouping.

28.3 Useful Life and Typical Life

The overall useful life range of the duct is dependent on the type:

- Duct Bank
- Direct Buried Pipe (PVC)
- High Density Polyethylene (HDPE)

28.3.1 *Duct Bank*

The useful life range of the duct bank type is 30 to 80 years; the typical life is 50 years.

28.3.2 *Direct Buried Pipe (PVC)*

The useful life range of the direct buried pipe type is 30 to 75 years; the typical life is 50 years.

28.3.3 *High Density Polyethylene (HDPE)*

The useful life range of the HDPE type is 50 to 100 years; the typical life is 50 years.

28.4 Time Based Maintenance Intervals

Ducts are not subject to planned maintenance.

28.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

29 Transformer and Switchgear Foundations

This asset class is similar to the utility chamber asset. It is a buried pre cast concrete vault on which pad-mounted transformers or switchgear are mounted. The foundation itself is buried; however the top portion is above ground.

29.1 Degradation Mechanism

These assets must withstand the heaviest structural loadings that they might be subjected to. For example, when located in streets, transformer and switchgear foundation must withstand heavy loads associated with traffic in the boulevard. When located in driving lanes, concrete vault must match street grading. Since vaults often experience flooding, they sometimes include drainage sumps and sump pumps. Nevertheless, environmental regulations in some jurisdictions may prohibit the pumping into sewer systems, without testing of the water for environmentally hazardous contaminants.

Although age is loosely related to the condition of underground civil structures, it is not a linear relationship. Other factors such as mechanical loading, exposure to corrosive salts, etc. have stronger effects. Transformer and switchgear foundation degradation commonly includes corrosion of reinforcing steel, spalling of concrete, and rusting of covers or rings. Acidic salts (i.e. sulfates or chlorides) affect corrosion rates. Transformer and switchgear foundation also may experience a number of deficiencies or defects. In roadways, defects exist when covers are not level with street surfaces. Conditions that lead to flooding, clogged sumps, and non-functioning sump-pumps also represent major deficiencies in a transformer and switchgear foundation. Similarly, transformer and switchgear foundation with lights that do not function properly constitute defective systems.

29.2 System Hierarchy

Transformer and Switchgear foundations asset category belongs to the Underground Systems assets grouping.

29.3 Useful Life and Typical Life

The overall useful life range of Transformer and switchgear foundation is 30 to 80 years; the typical life is 60 years.

29.4 Time Based Maintenance Intervals

The typical routine testing/maintenance interval for this asset class is three years.

29.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

30 Junction Cubicle

This asset class consists of a wiring box similar to pad mount switchgear. For the purposes of this study there is only reference to junction casing.

30.1 Degradation Mechanism

The main degradation associated with the junction cubicle casing is caused by outside sources. These include corrosion, vehicle damage, case rusting, and dirt or contamination.

30.2 System Hierarchy

Junction cubicle is used in the Underground Systems assets grouping.

30.3 Useful Life and Typical Life

The overall useful life range of junction cubicle casing is 25 to 50 years; the typical life is 40 years.

30.4 Time Based Maintenance Intervals

Junction Cubicles are not subject to planned maintenance

30.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

31 “Classic” SCADA

Supervisory Control and Data Acquisition (SCADA) refers to the centralized monitoring and control system of a facility. SCADA remote terminal units (RTUs) allow the master SCADA system to communication, often wirelessly, with field equipment. In general, RTUs collect digital and analog data from equipment, exchange information to the master system, and perform control functions on field devices. They are typically comprised of the following: power supply, CPU, I/O Modules, housing and chassis, communications interface, and software.

31.1 Degradation Mechanism

There are many factors that contribute to the end-of-life of RTUs. Utilities may choose to upgrade or replace older units that are no longer supported by vendors or where spare parts are no longer available. Because RTUs are essentially computer devices, they are prone to obsolescence. For example, older units may lack the ability to interface with Intelligent Electronic Devices (IEDs), be unable to support newer or modern communications media and/or protocols, or not allow for the quantity, resolution, and accuracy of modern data acquisition. Legacy units may have limited ability of multiple master communication ports and protocols, or have an inability to segregate data into multiple RTU addresses based on priority.

31.2 System Hierarchy

Classic SCADA asset category belongs to the Monitoring and Control Systems assets grouping.

31.3 Useful Life and Typical Life

This asset has several major components, each of which has a different useful life. From a maintenance practice perspective, classic SCADA can be componentized into the following:

- RTU
- Relay
- Battery

31.3.1 *RTU*

The useful life of the RTU in “classic” SCADA is in the range of 15 to 30 years; the typical life is 20 years.

31.3.2 *Relay*

The useful life of the relay in “classic” SCADA is in the range of 20 to 50 years; the typical life is 30 years.

31.3.3 *Battery*

The useful life of the battery in “classic” SCADA is in the range of 5 to 10 years; the typical life is 10 years.

31.4 Time Based Maintenance Intervals

“Classic” SCADA is not subject to planned maintenance.

31.5 Impact of Utilization Factors

This asset is impacted by Operating Practices. It is specifically the battery and relay components that are affected by operating practices. If this device is running within an electrically stable system there will be less stress imposed on it.

32 IED Based SCADA

Intelligent Electronic Devices (IED) based Supervisory Control and Data Acquisition (SCADA) refers to the centralized monitoring and control system of a facility.

32.1 Degradation Mechanism

Physical degradation of IED Based SCADA happens on hardware part of an IED. Compared to solid state relays, IEDs are not sensitive to ambient environment. The major contributing factor of degradation is the electrical environment, i.e. inrush transient. Since IEDs have built-in self-supervision system, the settings with perfect long time stability is guaranteed.

The failure mode of an IED can be:

- Fail to trip because communication port is held by defective external equipment
- Mal-function due to hardware/firmware/software version mismatch
- Mal-function due to software design flaw causing software latched by external EMI interference
- Will not operate due to power supply failure

To assess the health status of an IED, the following condition parameters are studied:

- Operating mechanism, including power supply, insulation, connection
- Recalibration, including recalibration record and relay functionality (e.g., overcurrent, distance etc.)
- Reliability, including mal-operation count, loading and age

32.2 System Hierarchy

IED Based SCADA asset category belongs to the Monitoring and Control Systems assets grouping.

32.3 Useful Life and Typical Life

This asset has two major components, each of which has a different useful life. From a maintenance practice perspective, classic SCADA can be componentized into the following:

- IED
- Battery

32.3.1 *IED*

The useful life of the IED in IED based SCADA is in the range of 10 to 15 years; the typical life is 15 years.

32.3.2 *Battery*

The useful life of the battery in IED based SCADA is in the range of 5 to 20 years; the typical life is 10 years.

32.4 Time Based Maintenance Intervals

IED based SCADA is not subject to planned maintenance.

32.5 Impact of Utilization Factors

This asset is impacted by Operating Practices. It is specifically the battery component that is affected by operating practices. If this device is running within an electrically stable system there will be less stress imposed on it.

33 Fault Indicators

Fault indicators are used for loaded underground distribution circuits where secondary voltage is available - pad mounted transformers, switchgear and underground vault applications. A sensor monitors the line current. When the trip rating is exceeded, the indicator trips to the fault position. To reset the display the fault indicator uses a secondary voltage source, such as the low-voltage terminals of distribution transformers.

33.1 Degradation Mechanism

Fault indicators have durable Lexan housings, and utilize coated nickel iron sensor laminations encapsulated in a polyurethane potting compound for environmental protection. Overhead fault indicators use batteries, hence their useful life is based primarily on the end of life of the battery itself. The useful life of overhead fault indicators is significantly less than underground fault indicators due to this battery component.

33.2 System Hierarchy

Fault Indicators asset category belongs to the Monitoring and Control Systems assets grouping.

33.3 Useful Life and Typical Life

The overall useful life range of the fault indicator itself is dependent on the type:

- Overhead
- Underground

33.3.1 *Overhead*

The useful life of the overhead fault indicator is based on the useful life of its battery which is in the range of 5 to 20years; the typical life is 10 years.

33.3.2 *Underground*

The useful life of the underground fault indicator is in the range of 10 to 30 years; the typical life is 20 years.

33.4 Time Based Maintenance Intervals

Fault Indicators are not subject to planned maintenance.

33.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

34 Metering

The metering is how electricity providers measure billable services by measuring various aspects of power usage. When used in electricity retailing, the utilities record the values measured by these meters to generate an invoice for the electricity. This report focuses on those meters used for residential meters, industrial/commercial meters and wholesale meters. This asset consists of three components: the meter itself, the current transformer (CT) and the potential transformer (PT).

34.1 Degradation Mechanism

The major degradation mechanism of traditional meters is listed as follows:

- Electronic component aging due to long-term power quality impact, for solid-state meters
- Meter creep due to high temperature for induction type meters. This occurs when the meter disc rotates continuously with potential applied and the load terminals open circuited
- Magnetization alteration due to overload or short-circuited conditions
- Mechanical damage due to vibration of meter mounting
- Other adverse operating environment that might expedite the aging of components, such as humidity or dirt

34.2 System Hierarchy

Metering asset category belongs to the Monitoring and Control Systems assets grouping.

34.3 Useful Life and Typical Life

There are two components of the meter which have their own useful and typical life:

- Meter (Residential, Industrial/Commercial, Wholesale)
- Transformer (Current, Potential)

34.3.1 *Meter*

The useful life range of residential type meter is 20 to 45 years; typical life is 30 years.

The useful life range of industrial/commercial type meter is 20 to 60 years; typical life is 30 years.

The useful life range of wholesale type meter is 20 to 60 years; typical life is 30 years.

34.3.2 *Transformer (Current, Potential)*

The useful life range of the CT component is 30 to 50 years; typical life is 45 years.

The useful life range of the PT component is 30 to 50 years; typical life is 45 years.

34.4 Time Based Maintenance Intervals

Meters are not subject to planned maintenance

34.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

35 Smart Metering

A smart meter is an advanced meter is an electrical meter that identifies consumption in more detail than a conventional meter; and communicates that information via some network back to the local utility for monitoring and billing purposes.

35.1 Degradation Mechanism

The major degradation mechanism of smart metering system is listed as follows:

- Wiring insulation deterioration due to corrosion, moisture or overheating
- Poor electrical connections due to corrosion, vibration or other physical problems
- Cabinetry or rack damage or wear
- Faulty electronic components

The rate and severity of degradation in the equipment depend on its operational duties and environmental factors. Corrosion and moisture ingress, or combinations of these, represent the most critical degradation processes in microwave equipment of smart metering system.

Environmental conditions in relay and switch-rooms can affect microwave equipment's condition and reliability. Humidity, temperature, dust and pollution can cause component degradation. When plant temperatures fall below the dew point condensation can occur. When water enters equipment rooms through roof or other leaks, it can affect performance and aggravate corrosion.

Typically, terminations and connectors experience mechanical degradation. In damp locations it is common for verdigris, which is the green coating or patina formed when copper, brass or bronze is weathered and exposed to air or seawater over a period of time, to form. Typical problems for these components include:

- Failed crimped terminations due to movement
- Cracked terminal blocks
- Stripped threads
- Mechanical damage from over tightening

Typical degradation processes for the cabinets or racks include:

- Corrosion
- Loss of mechanical strength through use (e.g. swing front panels)

Microwave electronics in smart metering system range from capacitors and resistors to solid-state printed circuit boards. All electronic components have finite lifetimes. Modern highly integrated electronic equipment consists of application specific integrated circuits, surface mounted components, and multi-layer boards.

35.2 System Hierarchy

Smart Metering asset category belongs to the Monitoring and Control Systems assets grouping.

35.3 Useful Life and Typical Life

There are several components of the smart meter which have their own useful and typical life:

- Smart Meter
- Repeater
- Data Concentrator
- Powerline Repeaters

35.3.1 *Smart Meter*

The useful life range of the smart meter is 15 to 20 years; typical life is 15 years.

35.3.2 *Repeater*

The useful life range of the repeater is 5 to 15 years; typical life is 10 years.

35.3.3 *Data Concentrator*

The useful life range of the data concentrator is 10 to 20 years; typical life is 20 years.

35.3.4 *Powerline Repeaters*

The useful life range of the powerline repeater is 5 to 15 years; typical life is 10 years.

35.4 Time Based Maintenance Intervals

Smart Meters are not subject to planned maintenance

35.5 Impact of Utilization Factors

This asset is impacted by Environmental Conditions.

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APPENDIX 4-2: 2020 FORECASTING PEG BENCHMARKING MODEL

Data Required for Cost Benchmarking

Halton Hills Hydro Inc.

Select LDC from Dropdown Box: Halton Hills Hydro Inc.

Required Item		History 2018	2019	Bridge Year 2020	Test Year 2021	Additonal Years for Custom IR Filings 2022	2023	2024		
	Gross Capital Cost Additions Data									
1	Total Gross Capital Additions	7,528,216	7,856,114	5,673,160	5,436,468	5,286,812	5,221,822	5,045,740	Enter Values	
2	HV Gross Capital Additions	-	24,475,012						Enter Values	
	Output and Other Business Conditions									
3	Number of Customers	22,442	22,887	23,156	23,315	23,548	23,784	24,140	Enter Values	Values to be confirmed
4	Delivery Volume	497,133,892	493,960,561	463,663,230	459,373,031	440,100,836	444,501,844	448,946,842	Enter Values	Values to be confirmed
5	Annual Peak Demand	104,730	99,439	90,278	87,932	88,020	89,036	89,789	Enter Values	Values to be confirmed
6	Distribution Circuit-km	1,641	1,641	1,641	1,641	1,641	1,641	1,641	Enter Values	
7	Ten Year Customer Growth Percentage	7.80%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%	Enter Values	
	Inflation Measures									
8	Wage Growth	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	2.88%	Enter values. The default values provided reflect recent historical growth.	
9	Growth in Economy-wide Inflation	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	Enter values. The default values provided reflect recent historical growth.	
10	Rate of Return (WACC)	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%	Enter Values	
	OM&A Expenses Included in Cost Benchmarking									
Choose a Method:	N **Use Method 1 [1A - 1B + 1C]**	-	-	-	-	-	-	-	Formula	
	Y **Use Method 2 [2A - 2B + 2C]**	6,069,683	6,215,678	6,682,861	7,856,108	8,052,511	8,253,824	8,460,169	Formula	
11	**OM&A Values Transfered to Calculations Worksheet**	6,069,683	6,215,678	6,682,861	7,856,108	8,052,511	8,253,824	8,460,169	Formula	

Method 1: Enter Values Calculated Elsewhere

Enter Values Supported by Separate Calculations

		2018	2019	2020	2021	2022	2023	2024	
1A	Total OM&A Consistent with accounts included in [2B]								Enter Values
1B	HV Cost (Accounts 5014, 5015, and 5112) if included in total	-							Enter Values
1C	LV Adjustment	-							Enter Values

Method 2: Enter Detailed Data

	OM&A Data	2018	2019	2020	2021	2022	2023	2024	
						2.5%	2.5%	2.5%	Enter Values
5005	Operation Supervision and Engineering	389,815	379,503	241,276	249,982	256,231	262,637	269,203	Enter Values
5010	Load Dispatching	-	-						Enter Values
5012	Station Buildings and Fixtures	33,284	21,352	22,490	21,432	21,968	22,517	23,080	Enter Values
5014	Transformer Station Equipment - Operation Labor	-	-						Enter Values
5015	Transformer Station Equipment - Operation Supplies and Expenses	-	1,086	17,600	17,830	18,276	18,733	19,201	Enter Values
5016	Distribution Station Equipment - Operation Labor	187,866	180,815	195,875	199,679	204,671	209,787	215,032	Enter Values
5017	Distribution Station Equipment - Operation Supplies and Expenses	21,334	43,143	43,533	44,651	45,768	46,912	48,085	Enter Values
5020	Overhead Distribution Lines and Feeders - Operation	492,299	403,310	442,354	603,145	618,224	633,679	649,521	Enter Values
5025	Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	34,540	19,798	94,183	106,978	109,653	112,394	115,204	Enter Values
5035	Overhead Distribution Transformers - Operation	31,655	37,694	3,747	15,234	15,615	16,005	16,406	Enter Values
5040	Underground Distribution Lines and Feeders - Operation Labor	29,338	49,063	-					Enter Values
5045	Underground Distribution Lines and Feeders - Operation Supplies and Expenses	18,403	33,385	32,095	32,263	33,069	33,896	34,744	Enter Values
5055	Overhead Distribution Lines and Feeders	-							Enter Values
5065	Meter Expense	79,710	95,106	100,394	132,109	135,412	138,797	142,267	Enter Values
5070	Customer Premises - Operation Labor	-							Enter Values
5075	Customer Premises - Operation Materials and Supplies	-							Enter Values
5085	Miscellaneous Distribution Expense	-	-	17,500	17,500	17,938	18,386	18,846	Enter Values
5090	Underground Distribution Lines and Feeders - Rental Paid	-							Enter Values
5095	Overhead Distribution Lines and Feeders - Rental Paid	-							Enter Values
5096	Other Rent (Distribution)	-							Enter Values
	Subtotal: Operation	**1,318,245**	**1,264,254**	**1,211,047**	**1,440,803**	**1,476,824**	**1,513,744**	**1,551,588**	Formula

Required Item

		2018	2019	2020	2021	2022	2023	2024	
5105	Maintenance Supervision and Engineering	-							Enter Values
5110	Maintenance of Buildings and Fixtures	-							Enter Values
5112	Maintenance of Transformer Station Equipment	-		4,000	4,000	4,100	4,203	4,308	Enter Values
5114	Maintenance of Distribution Station Equipement	11,965	7,532	82,050	99,000	101,475	104,012	106,612	Enter Values
5120	Maintenance of Poles, Towers and Fixtures	23,984	1,682	-					Enter Values
5125	Maintenance of Overhead Conductors and Devices	590	90						Enter Values
5130	Maintenance of Overhead Services	-	-						Enter Values
5135	Overhead Distribution Lines and Feeders - Right of Way	237,067	202,893	275,000	300,500	308,013	315,713	323,606	Enter Values
5145	Maintenance of Underground Conduit	-	-						Enter Values
5150	Maintenance of Underground Conductors and Devices	43,801	93,440	54,500	54,500	55,863	57,259	58,691	Enter Values
5155	Maintenance of Underground Services	-							Enter Values
5160	Maintenance of Line Transformers	-							Enter Values
5175	Maintenance of Meters	27		-					Enter Values
	Subtotal: Maintenance	**317,433**	**305,637**	**415,550**	**458,000**	**469,450**	**481,186**	**493,216**	Formula
5305	Supervision (Billing and Collection)	138,076	139,769	144,692	148,413	152,123	155,926	159,824	Enter Values
5310	Meter Reading Expense	17,909	21,546	22,391	24,150	24,754	25,373	26,007	Enter Values
5315	Customer Billing	391,285	389,031	761,390	773,369	792,703	812,521	832,834	Enter Values
5320	Collecting	524,588	497,159	535,380	542,391	555,951	569,849	584,096	Enter Values
5325	Collecting - Cash Over and Short	-	-						Enter Values
5330	Collection Charges	6,783	8,149	6,800	7,500	7,688	7,880	8,077	Enter Values
5340	Miscellaneous Customer Account Expenses	-							Enter Values
	Subtotal : Billing and Collections	**1,078,642**	**1,055,654**	**1,470,653**	**1,495,822**	**1,533,218**	**1,571,548**	**1,610,837**	Formula
5405	Supervision (Community Relations)	-							Enter Values
5410	Community Relations - Sundry	-							Enter Values
5420	Community Safety Program	386							Enter Values
5425	Miscellaneous Customer Service and Informational Expens	-							Enter Values
	Subtotal: Community Relations	**386**	**-**	**-**	**-**	**-**	**-**	**-**	Formula
5605	Executive Salaries and Expenses	675,801	760,104	897,490	1,010,357	1,035,616	1,061,506	1,088,044	Enter Values
5610	Management Salaries and Expenses	517,025	520,769	530,749	545,715	559,358	573,342	587,676	Enter Values
5615	General Administrative Salaries and Expenses	863,607	929,944	838,434	1,055,826	1,082,221	1,109,277	1,137,009	Enter Values
5620	Office Supplies	105,734	108,875	114,179	126,094	129,246	132,477	135,789	Enter Values
5625	Administrative Expense Transferred - Credit	-	-	-					Enter Values
5630	Outside Services Employed	181,478	216,532	96,795	116,220	119,126	122,104	125,156	Enter Values
5640	Injuries and Damages	85,187	80,905	88,282	91,107	93,385	95,719	98,112	Enter Values
5645	OMERS Pensions and Benefits	51,139	109,784	117,565	145,563	149,202	152,932	156,755	Enter Values
5646	Employee Pensions and OPEB	-							Enter Values
5647	Employee Sick Leave	-							Enter Values
5650	Franchise Requirements	-							Enter Values
5655	Regulatory Expenses	145,658	130,481	98,814	172,200	176,505	180,918	185,441	Enter Values
5665	Miscellaneous General Expenses	425,909	457,547	573,571	927,630	950,820	974,591	998,956	Enter Values
5670	Rent (Administrative and General)	-							Enter Values
5672	Lease Payment Expense	-							Enter Values
5675	Maintenance of General Plant	270,694	222,956	210,637	217,756	223,200	228,780	234,499	Enter Values
5680	Electrical Safety Authority Fees	-							Enter Values
	Sutotal: A&G Expenses	**3,322,232**	**3,537,897**	**3,566,516**	**4,408,467**	**4,518,679**	**4,631,646**	**4,747,437**	Formula
5635	Property Insurance	32,745	53,323	40,695	74,845	76,716	78,634	80,600	Enter Values
6210	Life Insurance	-							Enter Values
	Subtotal: Insurance	**32,745**	**53,323**	**40,695**	**74,845**	**76,716**	**78,634**	**80,600**	Formula
5515	Advertinsing	-							Enter Values
	Subtotal Advertising	**-**	**-**	**-**	**-**	**-**	**-**	**-**	Formula

3800-Administrative and General E›	
5605-Executive S	897,490
5610-Manageme	530,749
5615-General Ad	838,434
5620-Office Supp	114,179
5625-Administrat	-
5630-Outside Se	96,795
5635-Property In:	40,695
5640-Injuries and	88,282
5645-Employee F	117,565
5650-Franchise F	-
5655-Regulatory	98,814
5660-General Ad	1,400
5665-Miscellaneo	573,571
5670-Rent	-
5675-Maintenanc	210,637
5680-Electrical S	-
5685-Independer	-
5695-OM&A Con	-
3800-Administrat	3,608,611

Required Item		2018	2019	2020	2021	2022	2023	2024	
	2A Total of Above Accounts Used for Benchmarking	6,069,683	**6,216,764**	**6,704,461**	**7,877,938**	**8,074,887**	**8,276,759**	**8,483,678**	Formula
	Adjustments to OM&A for Benchmarking								
	5014	-	-	-	-	-	-	-	Formula
	5015	-	1,086	17,600	17,830	18,276	18,733	19,201	Formula
	5112	-	-	4,000	4,000	4,100	4,203	4,308	Formula
	2B Subtotal: HV Adjustment (to subtract from cost)	**-**	**1,086**	**21,600**	**21,830**	**22,376**	**22,935**	**23,509**	**Formula**
	2C LV Adjustment	**-**							**Enter Values**

		2020	2021
OM&A Values Transfered to Calculations Worksheet		6,682,861.00	7,856,108.16
As per Working Capital Allowance Worksheet			
Distribution Expenses - Operations		1,211,047.00	1,440,803.00
Distribution Expenses - Maintenance		415,550.00	458,000.00
Billing and Collections		1,171,162.00	1,177,856.00
Admin & General Expenses		3,608,611.00	4,484,712.00
	Bad Debts	(70,000.00)	(70,000.00)
	Water Billing	369,491.00	387,967.16
	5015	(17,600.00)	(17,830.00)
	5112	(4,000.00)	(4,000.00)
	5660	(1,400.00)	(1,400.00)
			-
		6,682,861.00	7,856,108.16
		-	-

Benchmarking Calculations for LDC Forecasting

Selected LDC: Halton Hills Hydro Inc.

Line Reference Number		Row Nu	Account	2018	Forecasted Values 2019	2020	2021	2022	2023	2024
			Section 1: Source Data and OM&A Calculations							
1	**OM&A Data (Detail may be hidden or expanded using the +/- buttons to the left of the row numbers)**									
2	5005	2	Operation Supervision and Engineering	389,815						
3	5010	3	Load Dispatching	-						
4	5012	4	Station Buildings and Fixtures	33,284						
5	5014	5	Transformer Station Equipment - Operation Labor	-						
6	5015	6	Transformer Station Equipment - Operation Supplies and Expenses	-						
7	5016	7	Distribution Station Equipment - Operation Labor	187,866						
8	5017	8	Distribution Station Equipment - Operation Supplies and Expenses	21,334						
9	5020	9	Overhead Distribution Lines and Feeders - Operation Labor	492,299						
10	5025	10	Overhead Distribution Lines and Feeders - Operation Supplies and E	34,540						
11	5035	11	Overhead Distribution Transformers - Operation	31,655						
12	5040	12	Underground Distribution Lines and Feeders - Operation Labor	29,338						
13	5045	13	Underground Distribution Lines and Feeders - Operation Supplies an	18,403						
14	5055	14	Overhead Distribution Lines and Feeders	-						
15	5065	15	Meter Expense	79,710						
16	5070	16	Customer Premises - Operation Labor	-						
17	5075	17	Customer Premises - Operation Materials and Supplies	-						
18	5085	18	Miscellaneous Distribution Expense	-						
19	5090	19	Underground Distribution Lines and Feeders - Rental Paid	-						
20	5095	20	Overhead Distribution Lines and Feeders - Rental Paid	-						
21	5096	21	Other Rent (Distribution)	-						
22			**Subtotal: Operation**	1,318,245						
23	5105	22	Maintenance Supervision and Engineering	-						
24	5110	23	Maintenance of Buildings and Fixtures	-						
25	5112	24	Maintenance of Transformer Station Equipment	-						
26	5114	25	Maintenance of Distribution Station Equipement	11,965						
27	5120	26	Maintenance of Poles, Towers and Fixtures	23,984						
28	5125	27	Maintenance of Overhead Conductors and Devices	590						
29	5130	28	Maintenance of Overhead Services	-						
30	5135	29	Overhead Distribution Lines and Feeders - Right of Way	237,067						
31	5145	30	Maintenance of Underground Conduit	-						
32	5150	31	Maintenance of Underground Conductors and Devices	43,801						
33	5155	32	Maintenance of Underground Services	-						
34	5160	33	Maintenance of Line Transformers	-						
35	5175	34	Maintenance of Meters	27						
36			**Subtotal: Maintenance**	317,433						
37	5305	35	Supervision (Billing and Collection)	138,076						
38	5310	36	Meter Reading Expense	17,909						
39	5315	37	Customer Billing	391,285						
40	5320	38	Collecting	524,588						
41	5325	39	Collecting - Cash Over and Short	-						
42	5330	40	Collection Charges	6,783						
43	5340	41	Miscellaneous Customer Account Expenses	-						
44			**Subtotal : Billing and Collections**	1,078,642						

5405	42	Supervision (Community Relations)	-						
5410	43	Community Relations - Sundry	-						
5420	44	Community Safety Program	386						
5425	45	Miscellaneous Customer Service and Informational Expenses	-						
		Subtotal: Community Relations	386						
5605	47	Executive Salaries and Expenses	675,801						
5610	48	Management Salaries and Expenses	517,025						
5615	49	General Administrative Salaries and Expenses	863,607						
5620	50	Office Supplies	105,734						
5625	51	Administrative Expense Transferred - Credit	-						
5630	52	Outside Services Employed	181,478						
5640	53	Injuries and Damages	85,187						
5645	54	OMERS Pensions and Benefits	51,139						
5646	55	Employee Pensions and OPEB	-						
5647	56	Employee Sick Leave	-						
5650	57	Franchise Requirements	-						
5655	58	Regulatory Expenses	145,658						
5665	59	Miscellaneous General Expenses	425,909						
5670	60	Rent (Administrative and General)	-						
5672	61	Lease Payment Expense	-						
5675	62	Maintenance of General Plant	270,694						
5680	63	Electrical Safety Authority Fees	-						
		Sutotal: A&G Expenses	3,322,232						
5635	64	Property Insurance	32,745						
6210	65	Life Insurance	-						
		Subtotal: Insurance	32,745						
5515	46	Advertinsing	-						
		Subtotal Advertising	-						
		Total of Above Accounts Used for Benchmarking	6,069,683						
Adjustments to OM&A for Benchmarking									
		5014	-						
		5015	-						
		5112	-						
		Subtotal: HV Adjustment (to subtract from cost)	-						
		LV Adjustment	-						
		Total Adjusted OM&A Expense	6,069,683	6,215,678	6,682,861	7,856,108	8,052,511	8,253,824	8,460,169
Gross Capital Cost Additions Data									
		Total Gross Capital Additions	7,528,216	7,856,114	5,673,160	5,436,468	5,286,812	5,221,822	5,045,740
		HV Gross Capital Additions	-	24,475,012	-	-	-	-	-
Output and Other Business Conditions									
		Number of Customers	22,442	22,887	23,156	23,315	23,548	23,784	24,140
		Delivery Volume	497,133,892	493,960,561	463,663,230	459,373,031	440,100,836	444,501,844	448,946,842
		Annual Peak Demand	104,730	99,439	90,278	87,932	88,020	89,036	89,789
		Distribution Circuit km	1,641	1,641	1,641	1,641	1,641	1,641	1,641

Section 2: Actual Cost Calculations

94	**Actual Cost**								
95									
96	OM&A		6,069,683.13	6,215,678.03	6,682,861.00	7,856,108.16	8,052,510.86	8,253,823.64	
97									
98	Capital								
99		Rate of Return	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
100		Depreciation Rate	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%	4.59%
101		Construction Cost Index	170.06	172.80	175.59	178.43	181.30	184.23	187.20
102		Capital Price	17.88	18.17	18.46	18.76	19.07	19.37	19.69
103		Gross Plant Additions	7,528,216	7,856,114	5,673,160	5,436,468	5,286,812	5,221,822	5,045,740
104		HV Capital Additions	-	24,475,012	-	-	-	-	-
105		Quantity of Capital Additions	44,268	(96,172)	32,309	30,469	29,160	28,344	26,953
106		Quantity of Capital Removed	29,485	30,164	24,365	24,729	24,993	25,184	25,329
107		Capital Quantity	657,160	530,824	538,768	544,508	548,675	551,834	553,458
108		Capital Cost	11,751,841	9,645,787	9,948,116	10,216,333	10,460,631	10,690,643	10,895,122
109									
110	Total Actual Cost		17,821,525	15,861,465	16,630,977	18,072,441	18,513,142	18,944,466	10,895,122

Section 3: Predicted Cost Calculations

111	**Predicted Cost**								
112									
113		**Output Quantity**							
114		Number of Customers	22,442	22,887	23,156	23,315	23,548	23,784	24,140
115		Delivery Volume	497,133,892	493,960,561	463,663,230	459,373,031	440,100,836	444,501,844	448,946,842
116		Annual Peak Demand	104,730	99,439	90,278	87,932	88,020	89,036	89,789
117		Capacity Proxy	214,152	214,152	214,152	214,152	214,152	214,152	214,152
118									
119		**Input Prices**							
120		GDP IPI [30% Weight]	120.3	122.3	124.3	126.3	128.3	130.4	132.5
121		Average Hourly Earnings [70% Weight]	1,021.53	1,051.36	1,082.07	1,113.66	1,146.18	1,179.65	1,214.10
122		OM&A Price Index Growth [30% GDPIPI growth + 70% AWE Growth]	2.495%	2.495%	2.495%	2.495%	2.495%	2.495%	2.495%
123		OM&A Price Index Level	145.66	149.34	153.11	156.98	160.94	165.01	169.18
124									
125		Capital Price Index	17.88	18.17	18.46	18.76	19.07	19.37	19.69
126									
127		**Business Conditions**							
128		Line km	1,641.00	1,641.00	1,641.00	1,641.00	1,641.00	1,641.00	1,641.00
129		2002-2013 Average Line km	1,404.31	1,420.09	1,433.89	1,446.08	1,456.90	1,467.13	1,476.79
130		Customers Ten Years Ago	20,818						
131		Ten Year Customer Growth Percentage	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
132									
133	(Details of the predicted cost calculations may be hidden by using the +/- button to the left of row 248)								
134									
135	**Company Values for Variables Used in the Prediction Equation**								
136									
137		Constant	1.00	1.00	1.00	1.00	1.00	1.00	1.00
138		Capital Price / OM&A Price (WK)	0.1228	0.1217	0.1206	0.1195	0.1185	0.1174	0.1164
139		Customers (Y1)	22,442	22,887	23,156	23,315	23,548	23,784	24,140
140		Capacity (Y2)	214,152	214,152	214,152	214,152	214,152	214,152	214,152
141		Deliveries (Y3)	497,133,892	493,960,561	463,663,230	459,373,031	440,100,836	444,501,844	448,946,842
142		Average Line Length	1,404.3	1,420.1	1,433.9	1,446.1	1,456.9	1,467.1	1,476.8
143		Customers Added in last 10 years	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
144		Trend	12	13	14	15	16	17	18
145									
146									

Company-Specific Parameter Estimates*							
91 Constant	12.8115	12.8115	12.8115	12.8115	12.8115	12.8115	12.8115
92 Capital Price / OM&A Price (WK)	0.6256	0.6256	0.6256	0.6256	0.6256	0.6256	0.6256
93 Customers (Y1)	0.4365	0.4365	0.4365	0.4365	0.4365	0.4365	0.4365
94 Capacity (Y2)	0.1746	0.1746	0.1746	0.1746	0.1746	0.1746	0.1746
95 Deliveries (Y3)	0.1057	0.1057	0.1057	0.1057	0.1057	0.1057	0.1057
96 WKWK	0.1315	0.1315	0.1315	0.1315	0.1315	0.1315	0.1315
97 Y1Y1	(0.3175)	(0.3175)	(0.3175)	(0.3175)	(0.3175)	(0.3175)	(0.3175)
98 Y2Y2	0.2774	0.2774	0.2774	0.2774	0.2774	0.2774	0.2774
99 Y3Y3	0.1539	0.1539	0.1539	0.1539	0.1539	0.1539	0.1539
100 WKY1	0.0393	0.0393	0.0393	0.0393	0.0393	0.0393	0.0393
101 WKY2	0.0258	0.0258	0.0258	0.0258	0.0258	0.0258	0.0258
102 WKY3	(0.0014)	(0.0014)	(0.0014)	(0.0014)	(0.0014)	(0.0014)	(0.0014)
103 Y1Y2	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632	0.0632
104 Y1Y3	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840	0.0840
105 Y2Y3	(0.2048)	(0.2048)	(0.2048)	(0.2048)	(0.2048)	(0.2048)	(0.2048)
106 Average Line Length	0.2795	0.2795	0.2795	0.2795	0.2795	0.2795	0.2795
107 Customers Added in last 10 years	0.0155	0.0155	0.0155	0.0155	0.0155	0.0155	0.0155
108 Trend	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173	0.0173
Sample Mean Values							
Constant	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Capital Price / OM&A Price (WK)	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644	0.1644
Customers (Y1)	63,422.3118	63,422.3118	63,422.3118	63,422.3118	63,422.3118	63,422.3118	63,422.3118
Capacity (Y2)	345,129.0146	345,129.0146	345,129.0146	345,129.0146	345,129.0146	345,129.0146	345,129.0146
Deliveries (Y3	1,630,327,994	1,630,327,994	1,630,327,994	1,630,327,994	1,630,327,994	1,630,327,994	1,630,327,994
WKWK	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Y1Y1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Y2Y2	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Y3Y3	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
WKY1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
WKY2	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
WKY3	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Y1Y2	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Y1Y3	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Y2Y3	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Average Line Length	2,723	2,723	2,723	2,723	2,723	2,723	2,723
Customers Added in last 10 years	0.1286	0.1286	0.1286	0.1286	0.1286	0.1286	0.1286
2013 Values Logged and Mean Scaled (where applicable)							
Constant	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Capital Price / OM&A Price (WK)	(0.2920)	(0.3009)	(0.3099)	(0.3188)	(0.3277)	(0.3367)	(0.3456)
Customers (Y1)	(1.0389)	(1.0192)	(1.0076)	(1.0007)	(0.9908)	(0.9808)	(0.9659)
Capacity (Y2)	(0.4772)	(0.4772)	(0.4772)	(0.4772)	(0.4772)	(0.4772)	(0.4772)
Deliveries (Y3)	(1.1877)	(1.1941)	(1.2574)	(1.2667)	(1.3095)	(1.2996)	(1.2896)
WKWK	0.0426	0.0453	0.0480	0.0508	0.0537	0.0567	0.0597
Y1Y1	0.5396	0.5194	0.5076	0.5007	0.4908	0.4810	0.4665
Y2Y2	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139	0.1139
Y3Y3	0.7053	0.7129	0.7905	0.8022	0.8574	0.8445	0.8316
WKY1	0.3033	0.3067	0.3122	0.3190	0.3247	0.3302	0.3338
WKY2	0.1393	0.1436	0.1479	0.1521	0.1564	0.1607	0.1649
WKY3	0.3468	0.3593	0.3896	0.4038	0.4292	0.4375	0.4457
Y1Y2	0.4958	0.4864	0.4808	0.4776	0.4728	0.4681	0.4610
Y1Y3	1.2339	1.2171	1.2669	1.2676	1.2974	1.2747	1.2457
Y2Y3	0.5668	0.5699	0.6001	0.6045	0.6250	0.6202	0.6155
Average Line Length	(0.6621)	(0.6509)	(0.6413)	(0.6328)	(0.6253)	(0.6184)	(0.6118)
Customers Added in last 10 years	60.66%	60.66%	60.66%	60.66%	60.66%	60.66%	60.66%
Trend	12.0000	13.0000	14.0000	15.0000	16.0000	17.0000	18.0000

210	**Product of Parameter and 2013 Values**							
211								
212	Constant	12.811	12.811	12.811	12.811	12.811	12.811	12.811
213	Capital Price / OM&A Price (WK)	(0.183)	(0.188)	(0.194)	(0.199)	(0.205)	(0.211)	(0.216)
214	Customers (Y1)	(0.453)	(0.445)	(0.440)	(0.437)	(0.432)	(0.428)	(0.422)
215	Capacity (Y2)	(0.083)	(0.083)	(0.083)	(0.083)	(0.083)	(0.083)	(0.083)
216	Deliveries (Y3)	(0.126)	(0.126)	(0.133)	(0.134)	(0.138)	(0.137)	(0.136)
217	WKWK	0.006	0.006	0.006	0.007	0.007	0.007	0.008
218	Y1Y1	(0.171)	(0.165)	(0.161)	(0.159)	(0.156)	(0.153)	(0.148)
219	Y2Y2	0.032	0.032	0.032	0.032	0.032	0.032	0.032
220	Y3Y3	0.109	0.110	0.122	0.123	0.132	0.130	0.128
221	WKY1	0.012	0.012	0.012	0.013	0.013	0.013	0.013
222	WKY2	0.004	0.004	0.004	0.004	0.004	0.004	0.004
223	WKY3	(0.000)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
224	Y1Y2	0.031	0.031	0.030	0.030	0.030	0.030	0.029
225	Y1Y3	0.104	0.102	0.106	0.106	0.109	0.107	0.105
226	Y2Y3	(0.116)	(0.117)	(0.123)	(0.124)	(0.128)	(0.127)	(0.126)
227	Average Line Length	(0.185)	(0.182)	(0.179)	(0.177)	(0.175)	(0.173)	(0.171)
228	Customers Added in last 10 years	0.009	0.009	0.009	0.009	0.009	0.009	0.009
229	Trend	0.207	0.224	0.242	0.259	0.276	0.293	0.311
230								
231	Log of Predicted Total Cost / OM&A Price	12.0062	12.0344	12.0611	12.0808	12.1047	12.1243	12.1467
232	Real Predicted Total Cost / OM&A Price	163,763	168,448	173,017	176,457	180,725	184,301	188,475
233	OM&A Price	145.66	149.34	153.11	156.98	160.94	165.01	169.18
234	**Predicted Total Cost**	23,853,248	25,155,628	26,490,744	27,700,044	29,086,739	30,411,572	31,886,093
235								
236								

Section 4: Benchmarking Results

237	Actual Cost	17,821,525	15,861,465	16,630,977	18,072,441	18,513,142	18,944,466	10,895,122
238	Predicted Cost	23,853,248	25,155,628	26,490,744	27,700,044	29,086,739	30,411,572	31,886,093
239	Actual less Predicted Cost	(6,031,723)	(9,294,163)	(9,859,767)	(9,627,603)	(10,573,597)	(11,467,106)	(20,990,971)
240	Percentage Difference (Arithmetic for Comparison)	-25.29%	-36.95%	-37.22%	-34.76%	-36.35%	-37.71%	-65.83%
241								
242	Percent Difference (Logarithmic)	-29.15%	-46.12%	-46.55%	-42.70%	-45.18%	-47.33%	-107.39%

Summary of Cost Benchmarking Results								
Halton Hills Hydro Inc.								
Cost Benchmarking Summary	**2016 Actual**	**2017 Actual**	**2018 Actual**	**2019 Forecast**	**2020 (Bridge)**	**2021 (Test Year)**	**2022 Forecast**	**2023 Forecast**
Actual Total Cost	17,028,654	16,934,734	17,821,525	15,861,465	16,630,977	18,072,441	18,513,142	18,944,466
Predicted Total Cost	22,429,778	22,492,011	23,853,248	25,155,628	26,490,744	27,700,044	29,086,739	30,411,572
Difference	(5,401,124)	(5,557,277)	(6,031,723)	(9,294,163)	(9,859,767)	(9,627,603)	(10,573,597)	(11,467,106)
Percentage Difference (Cost Performance)	**-27.5%**	**-28.4%**	**-29.2%**	**-46.1%**	**-46.6%**	**-42.70%**	**-45.18%**	**-47.33%**
Three-Year Average Performance					-40.6%	-45.13%	-44.81%	-45.07%
Stretch Factor Cohort								
Annual Result	1	1	1	1	1	1	1	1
Three Year Average					1	1	1	1

APPENDIX 4-3: DECISION AND ORDER – EB-2017-0045

Ontario Energy Board
Commission de l’énergie de l’Ontario

DECISION AND RATE ORDER

EB-2017-0045

HALTON HILLS HYDRO INC.

Application for rates and other charges to be effective May 1, 2018

BEFORE: Lynne Anderson
Presiding Member

Allison Duff
Member

April 26, 2018

TABLE OF CONTENTS

1 INTRODUCTION AND SUMMARY

Through this Decision and Rate Order, the Ontario Energy Board (OEB) is providing its finding on three applications filed by Halton Hills Hydro Inc. (Halton Hills Hydro), as amended during the course of the proceeding. These applications are described below.

Halton Hills Hydro filed applications on September 25, 2017, October 23, 2017 and December 1, 2017. Halton Hills Hydro's applications are for, respectively, rates pursuant to the OEB's Price Cap Incentive Rate-setting (Price Cap IR) framework, the establishment and disposition of a deferral and variance account (DVA) to account for and remedy an error related to depreciation expense, and recovery of costs incurred as a result of a pay equity settlement agreement (Z-factor). The above noted application made with respect to the OEB's Price Cap IR framework was an incentive rate-setting mechanism (IRM) application.

The applications were heard together by the OEB in this proceeding.

Halton Hills Hydro serves about 22,000 mostly residential and commercial electricity customers in the Town of Halton Hills. The company is seeking the OEB's approval for the rates it charges to distribute electricity to its customers, as is required of licenced and rate-regulated distributors in Ontario.

A distributor may choose one of three rate-setting methodologies approved by the OEB. Each of these is explained in the OEB's *Chapter 3 Filing Requirements for Incentive Rate-Setting Applications* (Chapter 3 Filing Requirements).

As noted above, Halton Hills Hydro's application is based on a Price Cap IR with a five-year term. The Price Cap IR option involves the setting of rates through a cost of service application in the first year. Mechanistic price cap adjusments, based on inflation and the OEB's assessment of the distributor's efficiency, are then approved through IRM applications in each of the ensuing four (adjustment) years.

As a result of the OEB's findings in this Decision, there will be a monthly bill decrease of $0.17 for a residential customer consuming 750 kWh, effective May 1, 2018.

Halton Hills Hydro has also applied to change the composition of its distribution service rates. Residential distribution service rates currently include a fixed monthly charge and a variable usage charge. In 2015, the OEB issued a policy to transition these rates to a fully fixed structure over a four-year period beginning in 2016.[1] Accordingly, the fixed monthly charge for 2018 has once again been adjusted upward in this Decision by more than the mechanistic price cap adjustment alone. The variable usage rate is commensurately lower. This policy change does not affect the total revenue that distributors collect from residential customers.

With respect to the IRM application, the OEB grants approval of a price cap adjustment of 1.20% (section 4), Retail Transmission Service Rates (RTSRs) (section 5), and the applicant's proposed disposition of Group 1 deferral and variance accounts (section 6) and proposed residential rate design (section 7).

In section 8, the OEB grants partial approval of Halton Hills Hydro's application for a new deferral account for depreciation.

Finally, section 9 deals with the application for a Z-factor. The OEB does not approve the Z-factor claim.

[1] OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers." EB-2012-0410, April 2, 2015

2 THE PROCESS

The OEB follows a standardized and streamlined process for hearing IRM applications filed under Price Cap IR. In each adjustment year of a Price Cap IR term, the OEB prepares a Rate Generator Model that includes information from the distributor's past proceedings and annual reporting requirements. A distributor will then review and complete the Rate Generator Model and include it with its application. During the course of the proceeding, the Rate Generator Model will also be updated or corrected, as required.

The Rate Generator Model updates base rates, retail transmission service rates and, if applicable, shared tax saving adjustments. It also calculates rate riders for the disposition of deferral and variance account balances.

Halton Hills Hydro filed its applications on September 25, 2017, October 23, 2017 and December 1, 2017 under section 78 of the *Ontario Energy Board Act, 1998* (OEB Act). The Chapter 3 Filing Requirements are applicable to the Price Cap IR and Z-factor applications. The eligibility criteria for the establishment of new deferral and variance accounts are in section 2.9.6 of the OEB's *Filing Requirements For Electricity Distribution Rate Applications - Chapter 2 Cost of Service* (Chapter 2 Filing Requirements). Notice of Halton Hills Hydro's application was issued on December 12, 2017. School Energy Coalition (SEC) and Vulnerable Energy Consumers Coalition (VECC) responded to the Notice and became parties to the proceeding. OEB staff also participated in the proceeding. Cost awards were allowed only in relation to the applicant's proposal to establish and dispose of a depreciation deferral account and the Z-factor application.

In response to an interrogatory by SEC, Halton Hills Hydro filed the Memorandum of Agreement regarding Pay Equity Maintenance, dated February 2, 2017, between the utility and the Power Worker's Union, CUPE Local 1000 (the Agreement or Pay Equity Memo). In its Decision on Confidentiality Request and Procedural Order No. 4, issued March 9, 2018, the OEB found that sections of the Memorandum of Agreement were not relevant to the proceeding, and the remaining sections were not granted confidential treatment. The OEB directed Halton Hills Hydro to place these sections on the public record by March 12, 2018. Halton Hills Hydro complied with this requirement.

The applications were supported by pre-filed written evidence and a completed Rate Generator Model. During the course of the proceeding, the applicant responded to interrogatories and, where required, updated and clarified the evidence. Final submissions on the applications were filed by Halton Hills Hydro, OEB staff, SEC, and VECC.

3 ORGANIZATION OF THE DECISION

In this Decision, the OEB addresses the following issues, and provides reasons for approving or denying Halton Hills Hydro's proposals relating to each of them:

- IRM Application
  - Price Cap Adjustment
  - Retail Transmission Service Rates
  - Group 1 Deferral and Variance Accounts
  - Residential Rate Design
- Application for New Deferral Account for Depreciation
- Application for a Z-factor

In the final section, the OEB addresses the steps to implement the final rates that flow from this Decision.

4 PRICE CAP ADJUSTMENT

Halton Hills Hydro seeks to increase its rates, effective May 1, 2018, based on a mechanistic rate adjustment using the OEB-approved ***inflation minus X-factor*** formula applicable to Price Cap IR applications. Halton Hills Hydro included an adjustment of 1.90% in its application, pending the OEB's update to the formula parameters.[2]

The components of the Price Cap IR formula applicable to Halton Hills Hydro are set out in Table 4.1, below. Inserting these components into the formula results in a 1.20% increase to Halton Hills Hydro's rates: ***1.20% = 1.20% - (0.00% + 0.00%)***.

Table 4.1: Price Cap IR Adjustment Formula

Components		Amount
Inflation Factor[3]		1.20%
X-Factor	Productivity[4]	0.00%
	Stretch (0.00% – 0.60%)[5]	0.00%

The inflation factor of 1.20% applies to all Price Cap IR applications for the 2018 rate year. OEB staff also submitted that an adjustment of 1.20% should be used and be effective May 1, 2018, with agreement by Halton Hills Hydro in its reply submission.

The X-factor is the sum of the productivity factor and the stretch factor. It is a productivity offset that will vary among different groupings of distributors. Subtracting the X-factor from inflation ensures that rates decline in real, constant-dollar terms, providing distributors with a tangible incentive to improve efficiency or else experience

[2] Halton Hills Hydro 2018 IRM Application, September 25, 2017, page 4

[3] Report of the OEB – "Rate Setting Parameters and Benchmarking under the Renewed Regulatory Framework for Ontario's Electricity Distributors." EB-2010-0379, December 4, 2013

[4] Ibid.

[5] The stretch factor groupings are based on the Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2016 Benchmarking Update", prepared by Pacific Economics Group LLC., July 2017

declining net income.

The productivity component of the X-factor is based on industry conditions over a historical study period and applies to all Price Cap IR applications for the 2018 rate year.

The stretch factor component of the X-factor is distributor specific. The OEB has established five stretch factor groupings, each within a range from 0.00% to 0.60%. The stretch factor assigned to any particular distributor is based on the distributor's total cost performance as benchmarked against other distributors in Ontario. The most efficient distributor would be assigned the lowest stretch factor of 0.00%. Conversely, a higher stretch factor would be applied to a less efficient distributor (in accordance with its cost performance relative to expected levels) to reflect the incremental productivity gains that the distributor is expected to achieve. The stretch factor assigned to Halton Hills Hydro is 0.00%.

Findings

The OEB finds that Halton Hills Hydro’s request for a 1.20% Price Cap IR adjustment is in accordance with the annually updated parameters set by the OEB. The adjustment is approved, and Halton Hills Hydro’s new rates shall be effective May 1, 2018.

The adjustment applies to distribution rates (fixed and variable charges) uniformly across all customer classes.[6]

[6] Price Cap IR and Annual IR Index adjustments do not apply to the following rates and charges: rate riders, rate adders, low voltage service charges, retail transmission service rates, wholesale market service rate, rural or remote electricity rate protection charge, standard supply service – administrative charge, transformation and primary metering allowances, loss factors, specific service charges, microFIT charge, and retail service charges.

5 RETAIL TRANSMISSION SERVICE RATES

Distributors charge RTSRs to their customers to recover the amounts they pay to a transmitter, a host distributor or both for transmission services. All transmitters charge Uniform Transmission Rates (UTRs) approved by the OEB to distributors connected to the transmission system. Host distributors charge host-RTSRs to distributors embedded within the host's distribution system.

Halton Hills Hydro is partially embedded within Hydro One Networks Inc.'s distribution system and is requesting approval to adjust the RTSRs that it charges its customers to reflect the rates that it pays for transmission services included in Table 5.1 and Table 5.2.

OEB staff submitted that the UTRs that were updated effective January 1, 2018 should be incorporated into the 2018 Rate Generator Model. Halton Hills Hydro agreed in its reply submission.

Table 5.1: UTRs[7]

Current Approved UTRs (2018)	per kWh
Network Service Rate	$3.61
Connection Service Rates	
Line Connection Service Rate	$0.95
Transformation Connection Service Rate	$2.34

[7] Decision and Order, EB-2017-0359, February 1, 2018

Table 5.2: Hydro One Networks Inc. Sub-Transmission Host-RTSRs[8]

Current Approved Sub-Transmission Host-RTSRs (2017)	per kWh
Network Service Rate	$3.19
Connection Service Rates	
Line Connection Service Rate	$0.77
Transformation Connection Service Rate	$1.75

Findings

Halton Hills Hydro's proposed adjustment to its RTSRs is approved. The RTSRs were adjusted based on the current host-RTSRs and the UTRs current at the time of the filing. The OEB finds that the new 2018 UTRs are to be incorporated into the rate model to adjust the RTSRs that Halton Hills Hydro will charge its customers accordingly.

The differences resulting from the approval of new 2018 host-RTSRs will be captured in Accounts 1584 and 1586 for future disposition.

[8] Decision and Order, EB-2016-0081, December 21, 2016

6 GROUP 1 DEFERRAL AND VARIANCE ACCOUNTS

In each year of an IRM term, the OEB will review a distributor's Group 1 deferral and variance accounts in order to determine whether their total balance should be disposed.[9] OEB policy requires that Group 1 accounts be disposed if they exceed (as a debit or credit) a pre-set disposition threshold of $0.001 per kWh, unless a distributor justifies why balances should not be disposed.[10] If the balance does not exceed the threshold, a distributor may elect to request disposition.

The 2016 actual year-end total balance for Halton Hills Hydro's Group 1 accounts including interest projected to April 30, 2018 is a credit amount of $1,148,898. This amount represents a total credit claim of $0.0023 per kWh, which exceeds the disposition threshold. Halton Hills Hydro proposes the disposition of this credit amount over a one-year period. In its submission, OEB staff supported the disposition of the Group 1 account credit balance of $1,148,898, with agreement by Halton Hills Hydro in its reply submission.

Included in the balance of the Group 1 accounts is the Global Adjustment (GA) account credit balance of $227,590. A customer's costs for the commodity portion of its electricity service reflects the sum of two charges: the price of electricity established by the operation of the Independent Electricity System Operator (IESO) administered wholesale market, and the GA.[11]

The GA is paid by consumers in several different ways:

- For Regulated Price Plan (RPP) customers, the GA is incorporated into the standard commodity rates, therefore there is no variance account for the GA.
- Customers who participate in the Ontario Industrial Conservation Initiative program are referred to as "Class A" customers. These customers are assessed

[9] Group 1 accounts track the differences between the costs that a distributor is billed for certain IESO and host distributor services (including the cost of power) and the associated revenues that the distributor receives from its customers for these services. The total net difference between these costs and revenues is disposed to customers through a temporary charge or credit known as a rate rider.

[10] Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

[11] The GA is established monthly, by the IESO, and varies in accordance with market conditions. It is the difference between the market price and the sum of the rates paid to regulated and contracted generators and conservation and demand management (demand response) program costs.

GA costs through a peak demand factor that is based on the percentage their demand contributes to the top five Ontario system peaks. This factor determines a Class A customer's allocation for a year-long billing period that starts in July every year. As distributors settle with Class A customers based on the actual GA costs there is no resulting variance.

- "Class B" non-RPP customers pay the GA charge based on the amount of electricity they consume in a month (kWh). Class B non-RPP customers are billed GA based on an IESO published GA price. For Class B non-RPP customers, distributors track any difference between the billed amounts and actual costs in the GA Variance Account for disposal, once audited.

Under the general principle of cost causality, customer groups that cause variances should be responsible for paying (or receiving credits) for their disposal. The movement from one class to another should not prevent identifiable customers from paying down/receiving a debit/credit balance.

Halton Hills Hydro proposes the refund of its GA variance account credit balance of -$225,036 as at December 31, 2016, including interest to April 30, 2018, in accordance with Table 6.1:

Table 6.1: Refund of GA Variance

Proposed Amounts	Proposed Method for Refund
A credit balance of $225,036 refunded to customers who were Class B for the entire period from January 2015 to December 2016	per kWh rate rider
A credit balance of $2,554 from customers formely in Class B during the period January 2015 to December 2016 who were reclassified to Class A	12 equal installments[12]

The balance of the Group 1 accounts includes a credit balance of $38,933 for the refund of Capacity Based Recovery (CBR) charges for Class B customers related to the IESO's wholesale energy market Demand Response 3 program. Distributors paid CBR

[12] 2018 IRM Rate Generator Model, Tab 6.1a "GA Allocation"

charges to the IESO in 2015 and 2016 and recorded these to a dedicated sub-account. The disposition of this sub-account is impacted by whether or not a distributor had any customers who were part of Class A during the period from January 2015 to December 2016.

Halton Hills Hydro had a Class A customer during the period from January 2015 to December 2016. The distributor applied to have the balance of this account disposed through a separate kWh rate rider for Class B customers, in order to ensure proper allocation between Class A and Class B customers.

As one customer was reclassified between Class A and Class B during the period from January 2015 to December 2016, Halton Hills Hydro requested refunding of a portion of CBR Class B costs by way of 12 equal installments.[13]

The remaining Group 1 accounts being sought for disposition, through the general Deferral and Variance Account rate rider and the non-Wholesale Market Participant (non-WMP) rate rider allocated to the GS 1,000 to 4,999 kW service rate class, include the following flow through variance accounts: Low Voltage Charges, Smart Meter Entity Charges, Wholesale Market Service Charges, Retail Transmission Service Charges, Commodity Power Charges, and Account 1595 residual balances. The Group 1 accounts have a credit balance of $882,375, which results in a refund to customers.

The balances proposed for disposition reconcile with the amounts reported as part of the OEB's *Electricity Reporting and Record-Keeping Requirements.*[14] Halton Hills Hydro's proposal for a one-year disposition period is in accordance with the OEB's policy.[15]

Findings

The OEB approves the disposition of a credit balance of $1,148,898 as of December 31, 2016, including interest projected to April 30, 2018 for Group 1 accounts. This includes balances accumulated in 2015 and 2016, as no deferral and variance account balances were cleared in Halton Hills Hydro's 2017 IRM application.

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[13] 2018 IRM Rate Generator Model, Tab 6.2a "CBR B_Allocation"

[14] Electricity Reporting and Record Keeping Requirements, Version dated May 3, 2016

[15] Report of the OEB – "Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR)." EB-2008-0046, July 31, 2009

The following table identifies the principal and interest amounts which the OEB approves for disposition.

Table 6.2: Group 1 Deferral and Variance Account Balances

Account Name	Account Number	Principal Balance ($) A	Interest Balance ($) B	Total Claim ($) C=A+B
LV Variance Account	1550	834,834	21,393	856,227
Smart Meter Entity Variance Charge	1551	(12,889)	(413)	(13,302)
RSVA - Wholesale Market Service Charge	1580	(1,502,604)	16,228	(1,486,376)
Variance WMS - Sub-account CBR Class B	1580	(37,972)	(961)	(38,933)
RSVA - Retail Transmission Network Charge	1584	65,366	39,940	105,306
RSVA - Retail Transmission Connection Charge	1586	187,776	49,158	236,934
RSVA - Power	1588	(264,639)	3,062	(261,577)
RSVA - Global Adjustment	1589	(223,413)	(4,177)	(227,590)
Disposition and Recovery of Regulatory Balances (2014)	1595	(292,615)	25,578	(267,037)
Disposition and Recovery of Regulatory Balances (2015)	1595	(124,067)	71,517	(52,550)
Totals for all Group 1 accounts		(1,370,223)	221,325	(1,148,898)

The balance of each of the Group 1 accounts approved for disposition shall be transferred to the applicable principal and interest carrying charge sub-accounts of

Account 1595. Such transfer shall be pursuant to the requirements specified in Article 220, Account Descriptions, of the *Accounting Procedures Handbook for Electricity Distributors.*[16] The date of the transfer must be the same as the effective date for the associated rates, which is, generally, the start of the rate year. Halton Hills Hydro shall ensure these adjustments are included in the reporting period ending June 30, 2018 (Quarter 2).

The OEB approves these balances to be disposed through rate riders and payments, as calculated in the Rate Generator Model. The rate riders and payments will be in effect over a one-year period from May 1, 2018 to April 30, 2019.[17]

[16] Accounting Procedures Handbook for Electricity Distributors, effective January 1, 2012

[17] 2018 IRM Rate Generator Model Tab 6.1 GA, Tab 6.1a “GA Allocation”, Tab 6.2 “CBR B”, Tab 6.2a “CBR B_Allocation” and Tab 7 “Calculation of Def-Var RR”

7 RESIDENTIAL RATE DESIGN

All residential distribution rates currently include a fixed monthly charge and a variable usage charge. The OEB's residential rate design policy stipulates that distributors will transition residential customers to a fully fixed monthly distribution service charge over a four-year period, beginning in 2016.[18] The OEB requires that distributors filing IRM applications affecting 2018 rates continue with this transition by once again adjusting their distribution rates to increase the fixed monthly service charge and decrease the variable charge consistent with the policy.

The OEB expects an applicant to apply two tests to evaluate whether mitigation of bill impacts for customers is required during the transition period. Mitigation usually takes the form of a lengthening of the transition period. The first test is to calculate the change in the monthly fixed charge, and to consider mitigation if it exceeds $4. The second is to calculate the total bill impact of the proposals in the application for low volume residential customers (defined as those residential RPP customers whose consumption is at the 10th percentile for the class). Mitigation may be required if the bill impact related to the application exceeds 10% for these customers.

Halton Hills Hydro outlined that the implementation of the transition results in a total bill impact that does not exceed four dollars and that no mitigation is required.[19] The bill impacts arising from the proposals in this application, including the fixed rate change, are below 10% for low volume residential customers. OEB staff also submitted that no mitigation was required for the above noted reasons.

Findings

The OEB finds that the proposed 2018 increase to the monthly fixed charge is calculated in accordance with the OEB's residential rate design policy. The results of the monthly fixed charge, and total bill impact for low consumption residential consumers show that no mitigation is required. The OEB approves the increase as proposed by the applicant and calculated in the final Rate Generator Model.

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[18] OEB Policy – "A New Distribution Rate Design for Residential Electricity Customers." EB-2012-0410, April 2, 2015

[19] Halton Hills Hydro 2018 IRM Application, September 25, 2017, pages 5 and 6

8 APPLICATION FOR NEW DEFERRAL ACCOUNT FOR DEPRECIATION

Halton Hills Hydro requested approval from the OEB to establish a deferral and variance account (DVA) to record annually an adjustment to revenue requirement of $330,259 for the period 2016 to 2021 (or until such time as Halton Hills Hydro's next cost of service rate application). The annual amount relates to an error Halton Hills Hydro identified in the calculation of depreciation expense in its last cost of service application for May 1, 2016 rates (the 2016 rate proceeding).[20]

Furthermore, Halton Hills Hydro requested disposition of a balance in the account of $660,519 for the years 2016 and 2017 through rate riders effective May 1, 2018 for a twelve month period. Halton Hills Hydro proposed that there be an annual clearance of the account from 2019 onwards.

OEB staff, VECC and SEC all opposed the approval of the DVA. Major concerns raised by intervenors and OEB staff about Halton Hills Hydro's request for a DVA included that:

- Halton Hills Hydro needs to have more rigorous controls for its processes and a utility is responsible for the accuracy of the information it files within a rate application. Concerns of a similar nature were made during Halton Hills Hydro's 2012 cost of service rate proceeding.[21] OEB staff submitted that this error was not administrative in nature.
- Halton Hills Hydro's 2016 rates were set by the OEB based on a settlement proposal made by the parties (and accepted by the OEB) in that proceeding. The intervenors submitted that it is not appropriate for Halton Hills Hydro to seek to adjust that settlement at this time. SEC further submitted that, in substance, Halton Hills Hydro is seeking to review and vary the OEB's decision on the 2016 rates even though the grounds are not met for correcting the error.
- There is no regulatory basis for Halton Hills Hydro's request under the OEB's rate-setting policies. Under the OEB's Price Cap IR rate-setting option, rates are set through a cost of service application for year one and there is a mechanistic

[20] EB-2015-0074

[21] EB-2011-0271

adjustment for years two to four of the IRM term. Other permitted adjustments are a Z-factor for extraordinary events and a module for incremental capital funding.

- Halton Hills Hydro has not demonstrated that its financial viability is at risk. OEB staff noted that the forecast return on equity (ROE) provided by Halton Hills Hydro did not demonstrate that it would be under-earning by more than 300 basis points, at which point a regulatory review may be triggered.
- To recover in rates amounts for historical years (2016 and 2017) may constitute retroactive ratemaking. SEC submitted that the rule against retroactive ratemaking is not discretionary unless there is a recognized exception, and those exceptions are not applicable to Halton Hills Hydro's request.

OEB staff also suggested some options for the OEB to consider, including starting the recovery prospectively from May 1, 2018 to avoid a retroactive rate issue.

In its reply submission, Halton Hills Hydro did not dispute that care must be taken in preparing an application, but it submitted that the standard is not one of perfection. Halton Hills Hydro argued that to deny the correction would lead to a minor calculation error resulting in a significant and punitive financial impact. Halton Hills Hydro submitted that the OEB's statutory objectives require balancing of (a) consumer interests with respect to pricing and cost effectiveness; and (b) the maintenance of a financially viable electricity industry in order to set just and reasonable rates.

Halton Hills Hydro questioned how it could earn a fair return if the depreciation error was not corrected from 2016 to 2021. Halton Hills Hydro noted that its 2016 ROE was 6.76%, below the OEB-approved ROE for 2016 of 9.19%, and disallowing recovery of the depreciation calculation error would result in Halton Hills Hydro being perilously close to triggering a regulatory review every year until its next rebasing application. Halton Hills Hydro argued that it is not reasonable to assume that an error in a settlement proposal cannot be corrected.

On the issue of rate retroactivity, Halton Hills Hydro noted that the OEB recently approved a correction with respect to the reference price for a purchased gas transportation variance account (PGTVA) that was related to an error in a prior period by Natural Resource Gas Limited (NRG).[22]

Halton Hills Hydro noted that it is one of only six Ontario electricity distributors identified

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[22] Rate Order, EB-2017-0215, issued October 12, 2017

as being the most efficient in the OEB's benchmarking report.[23] Halton Hills Hydro submitted that the magnitude of the error is simply too large for it to absorb for the remainder of the IR term.

Findings

The OEB will approve the establishment of a deferral account effective January 1, 2018 subject to the following conditions:

- No amounts for 2016 and 2017 may be recorded in the deferral account.
- An amount of $330,259 per year shall be recorded in the deferral account until such time as the effective date of Halton Hills Hydro's rates from its next rebasing rate application (cost of service or custom incentive rate-setting). This amount is the depreciation error of $339,393 less return on capital.
- No interest will apply to the balance in the deferral account as depreciation expense is a non-cash item.
- No disposition of the deferral account will be permitted if Halton Hills Hydro's actual regulated ROE exceeds the OEB's approved ROE for the aggregated period from January 1, 2018 until December 31 of the last audited fiscal year for the next rebasing application.
- Disposition of the deferral account will be determined as part of Halton Hills Hydro's next rebasing (cost of service or custom incentive rate-setting application).
- Halton Hills Hydro shall report the balance in the deferral account annually as part of the OEB's reporting and record-keeping requirements using Account 1508, Other Regulatory Assets, sub-account Net Deferred Depreciation.

The OEB finds that although this error was the responsibility of Halton Hills Hydro, it is appropriate to correct for the error on a prospective basis. While establishment of new DVAs is not part of the Price Cap IR mechanism, the OEB has approved new DVAs during an IRM term for other electricity distributors.[24] The OEB is making an exception

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[23] The stretch factor groupings are based on the Report to the Ontario Energy Board – "Empirical Research in Support of Incentive Rate-Setting: 2016 Benchmarking Update", prepared by Pacific Economics Group LLC., July 2017

[24] See for example: Decision and Rate Order, EB-2015-0057, issued March 17, 2016; and, Decision and Rate Order, EB-2016-0059 & EB-2016-0384, issued April 20, 2017

in this case in approving a new DVA because of the material effect of the error on Halton Hills Hydro during the IRM term. Halton Hills Hydro stated that “to leave the understatement uncorrected would severely impair [Halton Hills Hydro’s] ability to earn a fair return for the distribution of electricity”.[25] In addition, the OEB acknowledges Halton Hills Hydro’s submission that the magnitude of the error is large and difficult to absorb as the OEB’s benchmarking has grouped Halton Hills Hydro among the most efficient distributors in Ontario.

The OEB also finds that it is inappropriate to correct for this error retroactively. The rates for 2016 and 2017 were approved on a final basis. The OEB has broad powers to set just and reasonable rates. However, the rule against rate retroactivity is not discretionary other than for a narrow set of exceptions. The Ontario Court of Appeal determined that:

> It is well established that an economic regulatory tribunal, such as the Board, operating under a positive approval scheme of ratemaking must exercise its rate-making authority on a prospective basis. Generally speaking, absent express statutory authorization, such a regulator may not exercise its rate-making authority retroactively or retrospectively.[26]

The Alberta Court of Appeal has stated that the critical factor for determining whether a regulator is engaging in retroactive ratemaking is the parties’ knowledge of whether the rate is subject to future change.[27] The OEB has not previously established an expectation that the rates for 2016 and 2017 could be subject to change.

The NRG decision relied on by Halton Hills Hydro related to a different set of circumstances. In the NRG decision, the OEB approved an adjustment to the balance in the PGTVA. The OEB found that rate retroactivity could not have occurred because the balance in the account had not been disposed of for the requested period. In addition, the forecast transportation cost for NRG was subject to a true-up to the actual cost through the PGTVA. The 2016 rate order for Halton Hills Hydro was final and no true-up was approved by the OEB for the 2016 depreciation expense.

IRM applications are intended to be streamlined and mechanistic. Given the conditions established by the OEB for the deferral account, the OEB finds that it is appropriate to dispose of the balance in a rebasing application, subject to a prudence review at that

[25] Halton Hills Hydro’s Depreciation DVA Application, October 23, 2017, page 2

[26] Union Gas Limited v. Ontario Energy Board, 2015 ONCA 453 (CanLII), at para 82

[27] Atco Gas and Pipelines Ltd. v. Alberta (Utilities Commission), 2014 ABCA 28 (CanLII), at para 57

time.

Finally, the OEB agrees with OEB staff that, upon disposition of the deferral account, the balance should be allocated to customer classes based on the class-allocated revenue requirement for the purposes of calculating the rate riders.

9 APPLICATION FOR A Z-FACTOR

Halton Hills Hydro filed a Z-factor application for costs related to a Pay Equity settlement agreement finalized in February 2017 (Agreement). The forecast cost of the Agreement was $261,251 and related to the 2013 to 2021 period.[28]

The *Pay Equity Act* was legislated in 1987, applicable to businesses incorporated under the *Ontario Business Corporations Act*. Halton Hills Hydro established a Pay Equity Committee with both management and Power Worker's Union CUPE 1000 (Union) representation in 1991 and has a Pay Equity Plan that is reviewed annually. The Agreement was the result of a negotiation process that began in September 2012 and concluded in 2017.

Z-factor claims must satisfy the OEB's three eligibility criteria as defined in the *Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors*[29] (the IRM report):

1. Materiality – the amounts must exceed the OEB-defined materiality threshold and have a significant influence on the operation of the distributor, otherwise they should be expensed in the normal course and addressed through organizational productivity improvements

2. Prudence – the amount must have been prudently incurred. This means that the distributor's decision to incur the amount must represent the most cost-effective option (not necessarily least initial cost) for ratepayers

3. Causation – amounts should be directly related to the Z-factor event. The amount must be clearly outside of the base upon which current rates were set.

The OEB's Chapter 2 Filing Requirements for IRM applications describe a Z-factor event as an unforeseen or extraordinary event outside the control of a distributor's ability to manage.[30]

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[28] $261,251 is based on recovery of $258,348 plus carrying costs of $2,902

[29] Supplemental Report of the OEB on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors, EB-2007-0673, September 17, 2008

[30] Filing Requirements for Electricity Distribution Rate Applications – 2017 edition for 2018 rate applications – Chapter 3 incentive Rate-Setting Applications, July 20, 2017, pp. 16-17

Halton Hills Hydro submitted that it had satisfied the OEB's criteria for a Z-factor claim. It stated that the total cost of $261,251 exceeded Halton Hills Hydro's materiality threshold of $50,000,[31] was prudently incurred through an arbitrated settlement, related to an event outside of management's control and resulted in a cost that could not be pre-determined.

SEC, VECC and OEB staff submitted that the Z-factor claim did not meet the materiality and causation criteria.

<u>Materiality</u>

The intervenors and OEB staff agreed that the materiality threshold of $50,000 applied to Halton Hills Hydro, yet submitted that $50,000 was an annual amount. As the annual cost each year from 2013 to 2021 did not exceed $50,000, they concluded that the materiality criteria had not been met. In addition, the intervenors and OEB staff submitted that the annual costs from 2018 to 2021 were forecast costs and should not have been included in the Z-factor claim.

OEB staff submitted that pay equity is part of the normal course of business and the utility has been aware of this specific issue since 2012. SEC submitted that settlement agreements between a distributor and its union occur in the normal course of business. VECC submitted that compliance with the *Pay Equity Act* is expected of all distributors, the cost of the adjustment was predictable, and that Halton Hills Hydro should have planned or budgeted for the occurrence.

In its reply submission, Halton Hills Hydro maintained that the total cost was material as there is no requirement that the $50,000 threshold apply to a single year. In particular, Halton Hills Hydro submitted that it was appropriate to aggregate costs from 2013 to 2017, which were absorbed in the current period.

Findings

The OEB finds that the Z-factor claim does not meet the materiality criteria.

The OEB finds the $50,000 threshold is an annual amount. The $50,000 materiality threshold is defined in the OEB's Chapter 2 Filing Requirements for the purpose of variance explanations for annual changes to rate base, capital expenditures and OM&A costs. While the Z-factor criteria and filing requirements do not expressly address the

[31] The OEB-defined materiality threshold is $50,000 for distributors with a revenue requirement less than or equal to $10 million. Halton Hills Hydro's 2016 approved base revenue requirement was $9,953,991.

aggregation of costs, it is inappropriate to use multiple years of costs to justify materiality for a Z-factor event.

In addition, Halton Hills Hydro failed to convince the OEB that a cost of $261,251 over multiple years would have a significant influence on its operations.

Finally, the OEB expects employee compensation costs to be managed and expensed as a normal course of business. Compensation is part of every utility's operating expenses and pay equity has been a legal requirement for 30 years. Compensation costs of new collective agreements are not afforded Z-factor treatment, and neither should pay equity agreements. In addition, the OEB has denied Z-factor claims for compensation costs as demonstrated in the proceeding regarding a mandated pension-fund payment.[32] In its decision, the OEB found that a pension plan carries a risk that extraordinary funding contributions may be required from time to time.

In summary, the OEB finds that the cost of the Agreement does not meet the Z-factor materiality criteria.

Prudence

Halton Hills Hydro submitted that the cost of the Agreement was prudent, resulting from an arbitrated settlement that took five years to negotiate and based on evaluations of eligible positions and position data.

No party took issue with the prudence of the claimed expenses.

Findings

The OEB finds the claimed costs meet the prudence criteria. The evidence does not support a finding that Halton Hills Hydro was imprudent in executing the Agreement.

Causation

The intervenors and OEB staff submitted that the causation criteria had not been met. They submitted that the Agreement resulted from five years of negotiation; therefore, did not qualify as an unforeseen or extraordinary event.

SEC and VECC questioned whether Halton Hills Hydro was relying on the 2017 Agreement or the 2014 letter from the Premier to the Minister of Labour (letter)[33] as the

[32] Decision and Order, EB-2011-0277, Enbridge Gas Distribution Inc., May 10, 2012, pp. 8-10

[33] Z-factor application p. 7

Z-factor event to support its claim. Both SEC and VECC submitted that the letter was not cause for a Z-factor claim either, as the letter did not change the pay-equity landscape or mandate employers to do anything new.

OEB staff submitted that the cost of the Agreement was not outside the base upon which rates were set. OEB staff argued that Halton Hills Hydro was expected to manage within the operations, maintenance and administration (OM&A) envelope from 2013 to 2015 as approved in its 2012 cost of service proceeding[34], and from 2015 to 2021 under the envelope of rates approved in its 2016 cost of service proceeding[35], adjusted by the Price Cap IR formula. OEB staff claimed that Halton Hills Hydro should have been able to plan and budget for the impact, even if the precise cost was unknown.

Halton Hills Hydro argued that the other parties' submissions relied on hindsight, failed to recognize the context of the negotiations and the practical process by which rates are approved.

Halton Hills Hydro claimed that management could not control the negotiations, as it could not resolve the pay equity issues unilaterally. In terms of the rate-setting process, Halton Hills Hydro chose not to include a contingency amount in its 2016 cost of service application, as it claimed the cost would have been challenged as uncertain, hypothetical and unsupportable. Halton Hills Hydro considered a Z-factor claim was the more prudent course, once the amount was certain and the Agreement was final.

In addition, Halton Hills Hydro submitted that it had also satisfied the causation criteria as the cost of the pay equity adjustments are not covered by existing rates.

Findings

The OEB finds that the Z-factor claim does not meet the causation criteria. A claim must be associated with a Z-factor event to meet the causation criteria. The Z-factor event must be unforeseen or extraordinary.

The OEB finds that the cost to Halton Hills Hydro was not unforeseen. Halton Hills Hydro indicated that it recorded a contingency of $107,000 related to the pay equity issue in 2016. This demonstrates to the OEB that the utility took action, based on an estimated cost, to record an expense prior to finalizing the Agreement.

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[34] Decision and Order, EB-2011-0271, June 4, 2012, pages 17-18

[35] Decision and Rate Order, EB-2015-0074, March 24, 2016

The OEB also finds that the Agreement related to pay equity was not extraordinary. These particular negotiations concluded with an Agreement in 2017, yet a Pay Equity Committee had been established since 1991 and the utility's Pay Equity Plan was reviewed annually.

The OEB also does not find the letter to be a Z-factor event. A letter could not introduce new legislative requirements.

Finally, the OEB finds that compensation costs are included in the base upon which Halton Hills Hydro's rates were set, and will be set, from 2013 to 2021. This is consistent with the OEB's expectation that compensation costs be managed within the normal course of business. Furthermore, during the four years of IRM under the Price Cap IR option, a distributor's rates are disconnected from its costs in order to drive efficiency improvements. A distributor is expected to manage its operations to address events in the normal course, unless an event is unforeseen and extraordinary. In summary, the OEB denies the Z-factor claim as it does not meet the materiality and causation criteria related to a Z-factor event.

10 IMPLEMENTATION AND ORDER

This Decision is accompanied by a Rate Generator Model, applicable supporting models, and a Tariff of Rates and Charges (Schedule A).

Model entries were reviewed in order to ensure that they are in accordance with Halton Hills Hydro's last cost of service decision, and to ensure that the 2017 OEB-approved Tariff of Rates and Charges, as well as the cost, revenue and consumption results from 2016, are as reported by Halton Hills Hydro to the OEB.

The Rate Generator Model incorporates the rates set out in the following table.

Table 10.1: Regulatory Charges

Rate	per kWh
Rural or Remote Electricity Rate Protection (RRRP)	$0.0003
Wholesale Market Service (WMS) billed to Class A and B Customers	$0.0032
Capacity Based Recovery (CBR) billed to Class B Customers	$0.0004

Each of these rates is a component of the "Regulatory Charge" on a customer's bill, established annually by the OEB through a separate, generic order. The RRRP, WMS and CBR rates were set by the OEB on December 20, 2017.[36]

The Smart Metering Entity charge is a component of the "Distribution Charge" on a customer's bill, established by the OEB through a separate order. The Smart Metering Entity Charge was set at $0.57 by the OEB on March 1, 2018, effective January 1, 2018 to December 31, 2022.[37] The Rate Generator Model has been adjusted to incorporate this rate.

[36] Decision and Order, EB-2017-0333, December 20, 2017

[37] Decision and Order, EB-2017-0290, March 1, 2018

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Halton Hills Hydro Inc.'s new distribution rates shall be effective May 1, 2018.
2. The Tariff of Rates and Charges set out in Schedule A shall be deemed *draft* until the parties have complied with the subsequent procedural steps.
3. Halton Hills Hydro Inc. shall review the Tariff of Rates and Charges set out in Schedule A and shall file with the OEB, as applicable, a written confirmation of its completeness and accuracy, or provide a detailed explanation of any inaccuracies or missing information, within **7 days** of the date of issuance of this Decision and Rate Order.
4. This Tariff of Rates and Charges will be considered final if Halton Hills Hydro Inc. does not provide a submission to the OEB that inaccuracies were found or information was missing pursuant to item 3. Halton Hills Hydro Inc. shall notify its customers of the rate changes no later than the delivery of the first bill reflecting the new rates.
5. If the OEB receives a submission from Halton Hills Hydro Inc. to the effect that inaccuracies were found or information was missing pursuant to item 3, the OEB will consider the submission prior to issuing a final Tariff of Rates and Charges.

COST AWARDS

The OEB will issue a separate decision on cost awards once the following steps are completed:

1. School Energy Coalition and Vulnerable Energy Consumers Coalition shall submit to the OEB, and copy Halton Hills Hydro Inc., their cost claims no later than May 4, 2018.
2. Halton Hills Hydro Inc. shall file with the OEB and forward to School Energy Coalition and Vulnerable Energy Consumers Coalition any objections to the claimed costs by May 11, 2018.
3. School Energy Coalition and Vulnerable Energy Consumers Coalition shall file with the OEB and forward to Halton Hills Hydro Inc. any responses to any objections for cost claims by May 18, 2018.
4. Halton Hills Hydro Inc. shall pay the OEB's costs incidental to this proceeding upon

receipt of the OEB's invoice.

All filings to the OEB must quote the file number, EB-2017-0045 and be made electronically through the OEB's web portal at http://www.pes.ontarioenergyboard.ca/eservice/ in searchable/unrestricted PDF format. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at https://www.oeb.ca/oeb/_Documents/e-Filing/RESS_Document_Guidelines_final.pdf. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a USB flash drivein PDF format, along with two paper copies. Those who do not have computer access are required to file seven paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

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

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, April 26, 2018

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A

To Decision and Rate Order

Tariff of Rates and Charges

OEB File No: EB-2017-0045

DATED: April 26, 2018

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2017-0045

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. The customer will be supplied at one service entrance only. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	23.48
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Distribution Volumetric Rate	$/kWh	0.0034
Low Voltage Service Rate	$/kWh	0.0026
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	$/kWh	(0.0014)
Rate Rider for Disposition of Capacity Based Recovery Account (2018) - effective until April 30, 2019 Applicable only for Class B Customers	$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0068
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0056

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2017-0045

GENERAL SERVICE LESS THAN 50 KW SERVICE CLASSIFICATION

This classification applies to a non-residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	28.37
Smart Metering Entity Charge - effective until December 31, 2022	$	0.57
Distribution Volumetric Rate	$/kWh	0.0102
Low Voltage Service Rate	$/kWh	0.0024
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	$/kWh	(0.0014)
Rate Rider for Disposition of Capacity Based Recovery Account (2018) - effective until April 30, 2019 Applicable only for Class B Customers	$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0060
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0053

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
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EB-2017-0045

GENERAL SERVICE 50 TO 999 KW SERVICE CLASSIFICATION

This classification applies to a non-residential customer with an average peak demand equal to or greater than 50 kW over the past twelve months, or is forecast to be equal to or greater than 50 kW, but less than 1,000 kW. For a new customer without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformer. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

Billing demands are established at the greater of 100% of the kW, or 90% of the kVA amounts with the exception of the Retail Transmission Rate-Network Service Rate, which is billed on a $/kW basis only.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	86.83
Distribution Volumetric Rate	$/kW	3.8580
Low Voltage Service Rate	$/kW	1.0483
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019 Applicable only for Non-Wholesale Market Participants	$/kW	(1.2172)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	$/kW	0.5107
Rate Rider for Disposition of Capacity Based Recovery Account (2018) - effective until April 30, 2019 Applicable only for Class B Customers	$/kW	(0.0276)
Retail Transmission Rate - Network Service Rate	$/kW	2.6217
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.2146

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
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EB-2017-0045

GENERAL SERVICE 1,000 TO 4,999 KW SERVICE CLASSIFICATION

This classification applies to a non-residential customer with an average peak demand equal to or greater than 1,000 kW over the past twelve months, or is forecast to be equal to or greater than 1,000 kW, but less than 5,000 kW. For a new customer without prior billing history, the peak demand will be based on 90% of the installed transformer. Class A and Class B consumers are defined in accordance with O.Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

The rate rider for the disposition of WMS - Sub-account CBR Class B is not applicable to wholesale market participants (WMP), customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new Class B customers.

The rate rider for the disposition of Global Adjustment is only applicable to non-RPP Class B customers. It is not applicable to WMP, customers that transitioned between Class A and Class B during the variance account accumulation period, or to customers that were in Class A for the entire period. Customers who transitioned are to be charged or refunded their share of the variance disposed through customer specific billing adjustments. This rate rider is to be consistently applied for the entire period to the sunset date of the rate rider. In addition, this rate rider is applicable to all new non-RPP Class B customers.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

Billing demands are established at the greater of 100% of the kW, or 90% of the kVA amounts with the exception of the Retail Transmission Rate-Network Service Rate, which is billed on a $/kW basis only.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	185.55
Distribution Volumetric Rate	$/kW	3.4705
Low Voltage Service Rate	$/kW	1.0483
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	$/kW	(0.9398)
Rate Rider for Disposition of Capacity Based Recovery Account (2018) - effective until April 30, 2019 Applicable only for Class B Customers	$/kW	(0.0341)
Retail Transmission Rate - Network Service Rate	$/kW	2.6217
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	2.2146

Issued April 26, 2018

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
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EB-2017-0045

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Halton Hills Hydro Inc.
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EB-2017-0045

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, pedestrian X-Walk signals/beacons, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	7.97
Distribution Volumetric Rate	$/kWh	0.0054
Low Voltage Service Rate	$/kWh	0.0024
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	$/kWh	(0.0012)
Rate Rider for Disposition of Capacity Based Recovery Account (2018) - effective until April 30, 2019 Applicable only for Class B Customers	$/kWh	(0.0001)
Retail Transmission Rate - Network Service Rate	$/kWh	0.0060
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kWh	0.0053

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
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EB-2017-0045

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	9.47
Distribution Volumetric Rate	$/kW	35.9050
Low Voltage Service Rate	$/kW	0.7547
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	$/kW	(0.4711)
Rate Rider for Disposition of Capacity Based Recovery Account (2018) - effective until April 30, 2019 Applicable only for Class B Customers	$/kW	(0.0298)
Retail Transmission Rate - Network Service Rate	$/kW	1.8704
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.5942

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
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EB-2017-0045

STREET LIGHTING SERVICE CLASSIFICATION

All services supplied to street lighting equipment owned by or operated for the Municipality, the Region or the Province of Ontario shall be classified as Street Lighting Service. Street Lighting plant, facilities, or equipment owned by the customer are subject to the Electrical Safety Authority (ESA) requirements and Halton Hills Hydro specifications. Class B consumers are defined in accordance with O. Reg. 429/04. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES - Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge (per connection)	$	2.30
Distribution Volumetric Rate	$/kW	1.5523
Low Voltage Service Rate	$/kW	0.7393
Rate Rider for Disposition of Global Adjustment Account (2018) - effective until April 30, 2019 Applicable only for Non-RPP Customers	$/kWh	(0.0010)
Rate Rider for Disposition of Deferral/Variance Accounts (2018) - effective until April 30, 2019	$/kW	(0.9785)
Rate Rider for Disposition of Capacity Based Recovery Account (2018) - effective until April 30, 2019 Applicable only for Class B Customers	$/kW	(0.0285)
Retail Transmission Rate - Network Service Rate	$/kW	1.8617
Retail Transmission Rate - Line and Transformation Connection Service Rate	$/kW	1.5617

MONTHLY RATES AND CHARGES - Regulatory Component

Wholesale Market Service Rate (WMS) - not including CBR	$/kWh	0.0032
Capacity Based Recovery (CBR) - Applicable for Class B Customers	$/kWh	0.0004
Rural or Remote Electricity Rate Protection Charge (RRRP)	$/kWh	0.0003
Standard Supply Service - Administrative Charge (if applicable)	$	0.25

Halton Hills Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective and Implementation Date May 1, 2018

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2017-0045

microFIT SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Independent Electricity System Operator's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

MONTHLY RATES AND CHARGES - Delivery Component

Service Charge	$	5.40

ALLOWANCES

Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.60)
Primary Metering Allowance for Transformer Losses - applied to measured demand & energy	%	(1.00)

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2017-0045

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

Customer Administration

Arrears certificate	$	15.00
Statement of account	$	15.00
Pulling post dated cheques	$	15.00
Duplicate invoices for previous billing	$	15.00
Request for other billing information	$	15.00
Easement Letter	$	15.00
Income tax letter	$	15.00
Notification charge	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
Returned Cheque (plus bank charges)	$	15.00
Charge to certify cheque	$	15.00
Legal letter charge	$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	$	30.00
Special meter reads	$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	$	30.00
Collection of account charge - no disconnection - after regular hours	$	165.00
Disconnect/Reconnect at Meter - during regular hours	$	65.00
Disconnect/Reconnect at Meter - after regular hours	$	185.00
Disconnect/Reconnect at Pole - during regular hours	$	185.00
Disconnect/Reconnect at Pole - after regular hours	$	415.00
Install/Remove Load Control Device - during regular hours	$	65.00
Install/Remove Load Control Device - after regular hours	$	185.00

Other

Service call - customer owned equipment	$	30.00
Service call - after regular hours	$	165.00
Temporary service install & remove - overhead - no transformer	$	500.00
Temporary service install & remove - underground - no transformer	$	300.00
Temporary service install & remove - overhead - with transformer	$	1,000.00
Specific charge for access to the power poles - $/pole/year (with the exception of wireless attachments)	$	22.35
Interval meter charge	$	20.00

Halton Hills Hydro Inc.
TARIFF OF RATES AND CHARGES
Effective and Implementation Date May 1, 2018
This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

EB-2017-0045

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Ontario Energy Board, and amendments thereto as approved by the Ontario Energy Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Ontario Energy Board approval, such as the Debt Retirement Charge, the Global Adjustment and the HST.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity.

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	$	100.00
Monthly Fixed Charge, per retailer	$	20.00
Monthly Variable Charge, per customer, per retailer	$/cust.	0.50
Distributor-consolidated billing monthly charge, per customer, per retailer	$/cust.	0.30
Retailer-consolidated billing monthly credit, per customer, per retailer	$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	$	0.25
Processing fee, per request, applied to the requesting party	$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0560
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0455

APPENDIX 4-4: HHHI – ACTUARIAL VALUATION REPORT AS OF DECEMBER 31, 2019

HALTON HILLS HYDRO INC.

REPORT ON THE ACTUARIAL VALUATION OF POST-RETIREMENT NON-PENSION BENEFITS

AS AT DECEMBER 31, 2019

July 9, 2020

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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EXECUTIVE SUMMARY

Purpose

RSM Canada Consulting LP was engaged by Halton Hills Hydro Inc. (the "Corporation") to perform an actuarial valuation of the post-retirement non-pension benefits sponsored by the Corporation and to determine the accounting results for those benefits for the fiscal period ending December 31, 2019. The nature of these benefits is defined benefit.

This report is prepared in accordance with the International Financial Reporting Standards ("IFRS") guidelines for post-retirement non-pension benefits as outlined in the International Accounting Standard 19 – Employee Benefits ("IAS 19").

The most recent full valuation was prepared as at December 31, 2017 based on the assumptions chosen by management at that date and in accordance with IAS 19.

The purpose of this valuation is threefold:

i) To determine the Corporation's liabilities in respect of post-retirement non-pension benefits at December 31, 2019;

ii) To determine the defined benefit costs to be recognized for fiscal year 2019; and

iii) To provide all other pertinent information necessary for compliance with IAS 19.

Note that all monetary figures in this report are rounded to the nearest hundreds of dollars and summated figures in this report may not match total figures due to rounding.

The intended users of this report include the Corporation and its auditors. This report is not intended for use by the plan beneficiaries or for use in determining any funding of the benefit obligations.

Included in the Appendix attached hereto are detailed accounting schedules containing the results of the valuation.

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Valuation Results

Section A.1—Valuation Results

Results from the actuarial valuation as at December 31, 2019 compared to previous year's figures projected from the most recent full valuation, disclosed in the consolidated Financial Statement as at December 31, 2018:

	December 31, 2018	December 31, 2019
Present Value of Defined Benefit Obligation (PV DBO)	**994,200**	**1,145,900**

	CY 2018	CY 2019
Current Service Cost	31,200	30,300
Interest Cost	32,300	33,000
Defined Benefit Cost Recognized in Income Statement	**63,500**	**63,300**
Actuarial (Gain)/Loss	-	133,700
Defined Benefit Cost Recognized In OCI	**-**	**133,700**
Defined Benefit Cost	**63,500**	**197,000**

The following table provides results from the actuarial valuation as at December 31, 2019 broken down by active (including LTD) and retired individuals and type of post-retirement non-pension benefit:

Dec. 31, 2019 PV DBO	Actives (incl. LTD)	Retirees	Total
Life	261,300	468,200	**729,500**
Health	195,400	73,200	**268,600**
Dental	107,900	39,900	**147,800**
Total	**564,600**	**581,300**	**1,145,900**

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Development of Changes in the Present Value of Defined Benefit Obligation

Section A.3—Development of Changes in the Present Value of Defined Benefit Obligation

PV DBO at December 31, 2018	994,200
2019 Current Service Cost	30,300
2019 Benefit Payments	(45,300)
2019 Interest Cost	33,000
Expected PV DBO at December 31, 2019	**1,012,200**
Actuarial (Gain)/Loss at December 31, 2019	133,700
PV DBO at December 31, 2019	**1,145,900**

The increase indicated above of $133,700 in the PV DBO from the expected PV DBO at December 31, 2019 is due to the re-measurement of the liability; a breakdown of the changes is as follows:

Change in composition of active and retiree data (actual experience different from expected)	132,400
Change in assumptions:	
Discount Rate	36,400
Withdrawal	13,200
Claims Costs Trend	7,800
Salary Scale	5,200
Mortality Improvement Table	(4,600)
H/D Claims Cost	(56,700)
Total Actuarial (Gain)/Loss at December 31, 2019	**133,700**

Pursuant to IAS 19, the re-measurement of the PV DBO at December 31, 2019 based on the changes in the assumptions and experience is recognized immediately in other comprehensive income at December 31, 2019.

Participation Data

Section B.1—Participant Data

Membership data as at December 31, 2019 was received from the Corporation and included information such as name, gender, age, date of hire, current salary, benefit amounts and other applicable details for all active employees and people in receipt of benefits.

We have reviewed the data and compared it to the data used in the previous valuation for consistency and reliability for use in this valuation. The main tests of sufficiency and reliability that were conducted on the membership data are as follows:

- Date of hire prior to date of birth;
- Ages under 18 or over 100;
- Abnormal levels of benefits and/or premiums; and
- Duplicate records

In addition, the following tests were performed:

- A reconciliation of statuses from the prior valuation to the current valuation;
- A review of the consistency of individual data items and statistical summaries between the current and prior valuations; and
- A review of the reasonableness of changes in such information since the prior valuation.

	December 31, 2017	December 31, 2019
Employee (incl. LTD) Count		
Male	42	36
Female	25	21
Total	**67**	**57**
Employee Average Service		
Male	10.3	10.7
Female	10.9	12.7
Total	**10.5**	**11.5**
Retiree (in Receipt of Benefits) Count		
Male	11	16
Female	12	12
Total	**23**	**28**

Participant Reconciliation

Section B.2—Participation Reconciliation

	Actives	Disabled	Retired
As at Dec. 31, 2017	**66**	**1**	**23**
New Entrants	8	-	-
Actives	-	-	5
Terminated	(9)	-	-
Retired	(5)	-	-
Deceased	-	-	-
Disabled	-	-	-
Not Eligible for Benefits	(4)	-	-
As at Dec. 31, 2019	**56**	**1**	**28**

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Management's Best Estimate Assumptions

The following are management's best estimate economic and demographic assumptions for calculations as at December 31, 2019.

Economic Assumptions

Discount Rate

The rate used to discount future benefits is assumed to be 3.20% per annum as of December 31, 2019 using the spot rates curve from Fiera. This rate reflects the Corporation's expected projected benefit cash flows for post-retirement non-pension benefits and the market yields on high quality bonds at the time of preparing the valuation.

The assumption used in the previous valuation was 3.40% per annum as at December 31, 2017.

Salary Increase Rate

The rate used to increase salaries is assumed to be 3.00% per annum. This rate has been chosen by the Corporation's management and reflect the expected Consumer Price Index adjusted for productivity, merit and promotion and for company-specific information.

This salary increase rate assumption used in the previous valuation was 2.70% per annum.

Claims Cost Trend Rate

The rates used to project benefit costs into the future were chosen based on a research paper published by the Canadian Institute of Actuaries – *Model of Long-Term Health Care Cost Trends in Canada* - dated March 2018.

The following table provides a sample of the health and dental trend rates used in the valuation and the assumptions used in the previous valuation:

	Current Valuation	
Year	Health	Dental + Vision
2020	4.20%	4.50%
2025	5.30%	5.60%
2030	5.30%	5.30%
2035	4.60%	4.60%
2040 and thereafter	4.00%	4.00%

	Previous Valuation	
Year	Health	Dental
2020	5.71%	4.50%
2021	5.47%	4.50%
2022	5.23%	4.50%
2023	4.99%	4.50%
2024	4.74%	4.50%
2025 and thereafter	4.50%	4.50%

Other Assumptions

Family/Single Coverage

The following assumptions were chosen for the current valuation and are unchanged from the previous valuation:

- Coverage Type at Retirement (i.e. family, single) – The employee's coverage type at the valuation date will remain the same until the employee reaches the assumed retirement age.
- Spousal Gender – For employees with family coverage, the retiree has a spouse of the opposite gender at the date of retirement.
- Spousal Age Offset – Male spouses are assumed to be three years older than female spouses
- Dependent Coverage Type - For dependent with family coverage, the dependent is assumed to have an eligible surviving spouse with dependents (i.e. children). For dependent with single coverage, the dependent is assumed to have no dependent (i.e. children).

Expenses and Taxes

For health and dental coverage, the above premium rates are inclusive of expenses and taxes and therefore no additional assumptions regarding expenses is required.

For life coverage, it is assumed that 10% of the accrued benefit obligation reflects the cost of sponsoring and administering the program for life insurance. No additional information is available regarding the costs for the life insurance program.

These assumptions remain unchanged from the previous valuation.

Summary of Benefits

Life Insurance

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

Plan Option	Amount of Coverage	Eligibility
1	Flat $2,000.	Employee retires with less than 10 years of service in the Plan.
2	50% of final annual earnings, reducing by 2.5% of final annual earnings each year for 10 years, to a final benefit equal to 25% of final annual earnings. Reduction occurs on the anniversary date of retirement.	Employee retires with 10 or more years of service in the Plan and was hired before June 16, 1989. OR Employee was insured under the superseded plan and elected coverage under option 2, 3, or 4, or employee was not insured under the superseded plan.
3	50% of final annual earnings.	Employee was insured under the superseded plan and was hired on or after May 1, 1967 and elected coverage under option 1 only.
4	70% of final amount insured under the life plan immediately prior to retirement.	Employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under option 1 only.

Health and Dental Benefits

All eligible management employees are entitled to receive post-retirement health and dental benefits to age 65. Coverage for health and dental benefits continues to the eligible dependents of a deceased management retiree for two years.

The health and dental benefits covered under the post-retirement non-pension benefits for management employees are an extension of the benefits covered for active employees and described in detail in the benefits information booklets provided to employees.

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SECTION E — EMPLOYER CERTIFICATION

Post-Retirement Non-Pension Benefit Plan
of Halton Hills Hydro Inc.
Actuarial Valuation as at December 31, 2019

I hereby confirm, as an authorized signing officer of the administrator of the Post-Retirement Non-Pension Benefit Plan of Halton Hills Hydro Inc. that, to the best of my knowledge and belief, for the purposes of the valuation:

i) The membership data summarized in Section B is accurate and complete;

ii) The assumptions upon which this report is based as summarized in Section C, are management's best estimate assumptions and are adequate and appropriate for the purposes of this valuation; and

iii) The summary of Plan Provisions in Section D is an accurate and complete summary of the terms of the Plan in effect on December 31, 2019.

HALTON HILLS HYDRO INC.

JUNE 29, 2020
Date

Signature

DAVID SMELSKY
Name

CHIEF FINANCIAL OFFICER
Title

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Halton Hills Hydro
Estimated Benefit Expense (IAS 19)
Halton Hills Hydro Inc.

	Actuals CY 2019 *	Projected ** CY 2020	Projected ** CY 2021	Projected ** CY 2022	Projected ** CY 2023	Projected ** CY 2024
Discount Rate at January 1	3.40%	3.20%	3.20%	3.20%	3.20%	3.20%
Discount Rate at December 31	3.20%	3.20%	3.20%	3.20%	3.20%	3.20%
Health Benefit Cost Trend Rate at December 31	5.56%	4.40%	4.70%	4.90%	5.10%	5.30%
Dental Benefit Cost Trend Rate at December 31	4.50%	4.70%	4.90%	5.10%	5.40%	5.60%
Long Term Health and Dental Benefit Cost Trend Rate	4.50%	4.00%	4.00%	4.00%	4.00%	4.00%
First Year Of Long Term Health and Dental Benefit Cost Trend Rate	2025	2040	2040	2040	2040	2040
Assumed Increase in Employer Contributions	actual	expected ***	expected ***	expected ***	expected ***	expected ***

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

Net Defined Benefit Liability/(Asset) as at January 1	922,997	1,069,589	1,078,958	1,087,740	1,110,120	1,137,927
Defined Benefit Cost Recognized in Income Statement	57,464	66,108	65,714	66,976	68,803	70,769
Defined Benefit Cost Recognized in Other Comprehensive Income	131,561	-	-	-	-	-
Transfer of employees from companies under common control****	2,835	-	-	-	-	-
Benefits Paid by the Employer	(45,267)	(56,739)	(56,933)	(44,596)	(40,996)	(41,562)
Net Defined Benefit Liability/(Asset) as at December 31	1,069,589	1,078,958	1,087,740	1,110,120	1,137,927	1,167,133

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

Current Service Cost	26,851	32,788	32,098	32,882	33,935	35,021
Interest Cost	30,612	33,319	33,616	34,094	34,868	35,749
Defined Benefit Cost Recognized in Income Statement	57,464	66,108	65,714	66,976	68,803	70,769

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	(4,152)	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumption:	7,783	-	-	-	-	-
Net Actuarial Loss/(Gain) arising from Experience Adjustments	127,930	-	-	-	-	-
Return on Plan Assets (Excluding Amounts Included in Net Interest Cost)	-	-	-	-	-	-
Change in Effect of Asset Ceiling	-	-	-	-	-	-
Defined Benefit Cost Recognized in Other Comprehensive Income	131,561	-	-	-	-	-
Total Defined Benefit Cost	189,024	66,108	65,714	66,976	68,803	70,769

C. Change in the Present Value of Defined Benefit Obligation

Present Value of Defined Benefit Obligation as at January 1	922,997	1,069,589	1,078,958	1,087,740	1,110,120	1,137,927
Current Service Cost	26,851	32,788	32,098	32,882	33,935	35,021
Transfer of employees from companies under common control****	2,835	-	-	-	-	-
Interest Cost	30,612	33,319	33,616	34,094	34,868	35,749
Benefits Paid	(45,267)	(56,739)	(56,933)	(44,596)	(40,996)	(41,562)
Net Actuarial Loss/(Gain)	131,561	-	-	-	-	-
Present Value of Defined Benefit Obligation as at December 31	1,069,589	1,078,958	1,087,740	1,110,120	1,137,927	1,167,133

* The expected December 31, 2019 PV DBO and CY 2019 defined benefit cost are calculated based on membership data and management's best estimate assumptions at December 31, 2017.

** Projected CY 2020, 2021, 2022, 2023 and 2024 results are provided for informational purposes only. Significant changes such as re-negotiated benefits, increased benefit costs, or significant swings in demographics may require revised projections or a full actuarial review.

*** Based on exepcted benefits to be paid to those eligible for benefits.

**** Transfer of employees from companies under common control as a result of the transfer of two employees from South Western Energy Inc. to Halton Hills Hydro Inc. in 2018.

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APPENDIX 4-5: 2021 TEST YEAR INCOME TAX PILS

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Version 1.20

Utility Name	Halton Hills Hydro Inc.
Assigned EB Number	EB-2020-0026
Name and Title	David J. Smelsky, Chief Financial Officer
Phone Number	519 853 3700 Ext 208
Email Address	dsmelsky@haltonhillshydro.com
Date	27-Aug-20
Last COS Re-based Year	

Note: Drop-down lists are shaded blue; Input cells are shaded green.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform.

Tab S1 Integrity Checks must be completed after the completion of the PILs calculation in this workbook.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the Bridge Year and the Test Year.
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- loss carryforward (Schedule 4 - B4 and T4)
- capital cost allowance (Schedule 8 - B8 and T8)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H0 to H13 relate to the Historical Year.
Tabs B0 to B13 relate to the Bridge Year.
Tabs 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.

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference		
Adjustments required to arrive at taxable income	as below	**-6,080,230**	
Test Year - Payments in Lieu of Taxes (PILs)	T0	**-**	
Test Year - Grossed-up PILs	T0	**-**	
Effective Federal Tax Rate	T0	**15.0%**	
Effective Ontario Tax Rate	T0	**11.5%**	
Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	3,552,813	
Taxable Income	T1	-2,527,416	
Difference	calculated	-6,080,230	as above

Income Tax/PILs Workform for 2021 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	Y	
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	

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

			Test Year	Bridge Year
Rate Base		S	**$ 104,249,216**	**$ 102,054,381**

Return on Ratebase

Deemed ShortTerm Debt %	4.00%	T	$ 4,169,969	*W = S * T*
Deemed Long Term Debt %	56.00%	U	$ 58,379,561	*X = S * U*
Deemed Equity %	40.00%	V	$ 41,699,686	*Y = S * V*
Short Term Interest Rate	2.75%	Z	$ 114,674	*AC = W * Z*
Long Term Interest	3.48%	AA	$ 2,029,228	*AD = X * AA*
Return on Equity (Regulatory Income)	8.52%	AB	**$ 3,552,813**	*AE = Y * AB* T1
Return on Rate Base			**$ 5,696,715**	*AF = AC + AD + AE*

Questions that must be answered

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

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Tax Rates Federal & Provincial As of MMM XX, 2019	Effective January 1, 2015	Effective January 1, 2016	Effective January 1, 2017	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021
Federal income tax							
General Corporate Rate	38.00%	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%	-10.00%
Adjusted Federal Rate	28.00%	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%	-13.00%
Federal Income Tax	15.00%	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%	11.50%
Combined Federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business							
Federal Small Business Limit	500,000	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	500,000
Federal Small Business Rate	11.00%	10.50%	10.50%	10.00%	9.00%	9.00%	9.00%
Ontario Small Business Rate	4.50%	4.50%	4.50%	3.50%	3.50%	3.20%	3.20%

Notes

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

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

					Wires Only	
Regulatory Taxable Income				H1	$ -	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**D = B+C**
Total Income Taxes					**$ -**	**E = A * D**
Investment Tax Credits						**F**
Miscellaneous Tax Credits						**G**
Total Tax Credits					**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ -**	**I = E - H**

Ontario Energy Board

Income Tax/PILs Workform for 2021 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)**	-615,471		-615,471
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	2,881,715		2,881,715
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations and gifts from Schedule 2	112	325		325
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	3,189		3,189
Non-deductible meals and entertainment expense	121	3,063		3,063
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	1,137,593		1,137,593
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)(x))		833,461		833,461
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Inducement under 12(1) (x) ITA - Apprenticeship Tax Credit		8,438		8,438
FA Amortization booked in GL Accounts		219,461		219,461
SWAP Mark to Market		2,274,169		2,274,169
				0
				0
				0
				0
				0
				0
				0
Total Additions		**7,361,414**	**0**	**7,361,414**

Deductions:				
Gain on disposal of assets per financial statements	401	1,000		1,000
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403			0
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	1,116,297		1,116,297
Contributions to deferred income plans	416	289,928		289,928
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
Expenses capitalized for accounting (Poles)		1,321,301		1,321,301
Expenses capitalized for accounting (capitalized OH)		724,197		724,197
Tax recovery incl in net movements in reg. balance on P&L		355,622		355,622
Amortization of contributed capital		329,195		329,195
Capital contribution received		833,461		833,461
Capitalized Interest		543,584		543,584
Depreciation removed from P&L to Regulatory Assets		324,926		324,926
				0
Total Deductions		**5,839,511**	**0**	**5,839,511**
Net Income for Tax Purposes		**906,432**	**0**	**906,432**
Charitable donations from Schedule 2	311	325		325
Taxable dividends received under section 112 or 113	320			0
Non-capital losses of previous tax years from Schedule 4	331	906,107		906,107
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		**0**	**0**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	3,290,582		3,290,582	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	21,069		21,069	B4

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year	Working Paper Reference
1	Buildings, Distribution System (acq'd post 1987)	$ 1,684,941		$ 1,684,941	B8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	$ 192,394		$ 192,394	B8
2	Distribution System (acq'd pre 1988)			$ -	B8
3	Buildings (acq'd pre 1988)			$ -	B8
6	Certain Buildings; Fences	$ 315,382		$ 315,382	B8
8	General Office Equipment, Furniture, Fixtures	$ 2,345,210		$ 2,345,210	B8
10	Motor Vehicles, Fleet	$ 979,857		$ 979,857	B8
10.1	Certain Automobiles			$ -	B8
12	Computer Application Software (Non-Systems)	$ 284,598		$ 284,598	B8
13_1	Lease # 1			$ -	B8
13_2	Lease # 2			$ -	B8
13_3	Lease # 3			$ -	B8
13_4	Lease # 4			$ -	B8
14	Limited Period Patents, Franchises, Concessions or Licences			$ -	B8
14.1	Eligible Capital Property (acq'd pre 2017)	$ 232,847		$ 232,847	B8
14.1	Eligible Capital Property (acq'd post 2016)			$ -	B8
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage			$ -	B8
42	Fibre Optic Cable			$ -	B8
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -	B8
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -	B8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	$ 743		$ 743	B8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	$ 502,401		$ 502,401	B8
47	Distribution System (acq'd post Feb 22/05)	$ 34,340,737		$ 34,340,737	B8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	$ 202,774		$ 202,774	B8
95	CWIP	$ 4,868,581		$ 4,868,581	B8
1	Distribution System	$ 13,719,623		$ 13,719,623	
49	Electricity Distributoin Equipment	$ 10,581,639		$ 10,581,639	
1b	Non-Residential Buildings -2017	$ 56,430		$ 56,430	
1b	Non-Residential Buildings -2018	$ 71,249		$ 71,249	
1b	Non-Residential Buildings -2019	$ 3,692,312		$ 3,692,312	
17	TS Parking	$ 285,338		$ 285,338	
42	Communication Equipment	$ 37,753		$ 37,753	
10	Computer Hardware	$ 2,185		$ 2,185	
	SUB-TOTAL - UCC	74,396,994	0	74,396,994	

Ontario Energy Board

Income Tax/PILs Workform for 2021

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	B13
Tax reserves not deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)			0	B13
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss. 20(1)(n)			0	B13
Debt & share issue expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
Employee Future Benefits			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	B13
General reserve for bad debts	197,479		197,479	B13
Accrued Employee Future Benefits:	940,114		940,114	B13
- Medical and Life Insurance			0	B13
-Short & Long-term Disability			0	B13
-Accmulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13
Other Contingent Liabilities			0	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
			0	
			0	
Total	**1,137,593**	**0**	**1,137,593**	

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

PILS Tax Provision - Bridge Year

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate		Reference	Wires Only	
Regulatory Taxable Income						B1	-$ 7,442,236	**A**
Ontario (Max 11.5%)	11.5%	11.5%	-$ 855,857	11.5%	**B**			
Federal (Max 15%)	15.0%	15.0%	#########	15.0%	**C**			
Combined effective tax rate (Max 26.5%)							26.50%	**D = B + C**
Total Income Taxes							$ -	**E = A * D**
Investment Tax Credits								**F**
Miscellaneous Tax Credits								**G**
Total Tax Credits							$ -	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year							$ -	**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.

Ontario Energy Board

Income Tax/PILs Workform for 2

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	**(A + 101 + 102)**		-83,023

Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		3,424,736
Amortization of intangible assets	106		
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(iii)	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		4,745
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	1,286,436
Soft costs on construction and renovation of buildings	127		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		

Ontario Energy Board

Income Tax/PILs Workform for 2

Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
Other Additions (Apprenticeship Tax Credits)	295		5,000
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**4,720,917**

Adjusted Taxable Income - Bridge Year

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	6,751,332
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	1,137,593
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 deferral and variance accounts	395		
	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 Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Expenses capitalized for accounting (Poles)			707,198
Capital contribution received			1,049,738
Expenses capitalized for accounting (capitalized OH)			1,431,739
Amortization of contributed capital			352,681
Depreciation removed from P&L to Regulatory Assets			649,848
Total Deductions		calculated	**12,080,129**
Net Income for Tax Purposes		calculated	**-7,442,236**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-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	**-7,442,236**

Ontario Energy Board

Income Tax/PILs Workform for 2021

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	3,290,582	
Amount to be used in Bridge Year	B1	0	
Loss Carry Forward Generated in Bridge Year (if any)	B1	7,442,236	
Other Adjustments			
Balance available for use post Bridge Year	calculated	10,732,818	T4

Net Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	21,069	
Amount to be used in Bridge Year			
Loss Carry Forward Generated in Bridge Year (if any)	B1		
Other Adjustments			
Balance available for use post Bridge Year	calculated	21,069	T4

Ontario Energy Board

Income Tax/PILs Workform for 2021 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 (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions
1	Buildings, Distribution System (acq'd post 1987)	H8	$ 1,684,941						
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	H8	$ 192,394						
2	Distribution System (acq'd pre 1988)	H8	$ -						
3	Buildings (acq'd pre 1988)	H8	$ -						
6	Certain Buildings; Fences	H8	$ 315,382						
8	General Office Equipment, Furniture, Fixtures	H8	$ 2,345,210	$ 571,196	$ 571,196				
10	Motor Vehicles, Fleet	H8	$ 979,857	$ 360,498	$ 360,498				
10.1	Certain Automobiles	H8	$ -						
12	Computer Application Software (Non-Systems)	H8	$ 284,598	$ 126,895	$ 126,895				
13_{1}	Lease # 1	H8	$ -						
13_{2}	Lease # 2	H8	$ -						
13_{3}	Lease # 3	H8	$ -						
13_{4}	Lease # 4	H8	$ -						
14	Limited Period Patents, Franchises, Concessions or Licences	H8	$ -						
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	H8	$ 232,847						
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	H8	$ -						
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	H8	$ -						
42	Fibre Optic Cable	H8	$ -						
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -						
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -						
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	H8	$ 743						
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	$ 502,401						
47	Distribution System (acq'd post Feb 22/05)	H8	$ 34,340,737	$ 2,379,040	$ 2,379,040				
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	H8	$ 202,774	$ 204,395	$ 204,395				
95	CWIP	H8	$ 4,868,581						
1	Distribution System	H8	$ 13,719,623						
49	Electricity Distributoin Equipment	H8	$ 10,581,639						
1b	Non-Residential Buildings -2017	H8	$ 56,430						
1b	Non-Residential Buildings -2018	H8	$ 71,249						
1b	Non-Residential Buildings -2019	H8	$ 3,692,312						
17	TS Parking	H8	$ 285,338						
42	Communication Equipment	H8	$ 37,753						
10	Computer Hardware	H8	$ 2,185						
	TOTALS		**$ 74,396,994**	**$ 3,642,024**	**$ 3,642,024**	**$ -**	**$ -**	**$ -**	**$ -**

For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years):

https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t2sch8/t2sch8-19e.pdf

On

Schedule

(1) Class	(9) UCC (column 2 plus column 3 plus or minus column 5 minus column 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")	Relevant factor	(12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(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	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)		(18) UCC at the end of the bridge year (column 9 minus column 17)	Working Paper Reference
1	$ 1,684,941	$ -	$ -	0.50	$ -	$ -	4%			$ 67,398		$ 1,617,543	T8
1b	$ 192,394	$ -	$ -	0.50	$ -	$ -	6%			$ 11,544		$ 180,850	T8
2	$ -	$ -	$ -		$ -	$ -	6%			$ -		$ -	T8
3	$ -	$ -	$ -		$ -	$ -	5%			$ -		$ -	T8
6	$ 315,382	$ -	$ -	0.50	$ -	$ -	10%			$ 31,538		$ 283,844	T8
8	$ 2,916,406	$ -	$ 571,196	0.50	$ 285,598	$ -	20%			$ 640,401		$ 2,276,005	T8
10	$ 1,340,355	$ -	$ 360,498	0.50	$ 180,249	$ -	30%			$ 456,181		$ 884,174	T8
10.1	$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -	T8
12	$ 411,493	$ -	$ 126,895	0.00	$ -	$ -	100%			$ 411,493		$ -	T8
13_1	$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13_2	$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13_3	$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13_4	$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
14	$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
14.1	$ 232,847	$ -	$ -		$ -	$ -	7%			$ 16,299		$ 216,548	T8
14.1	$ -	$ -	$ -	0.50	$ -	$ -	5%			$ -		$ -	T8
17	$ -	$ -	$ -	0.50	$ -	$ -	8%			$ -		$ -	T8
42	$ -	$ -	$ -	0.50	$ -	$ -	12%			$ -		$ -	T8
43.1	$ -	$ -	$ -	2.33	$ -	$ -	30%			$ -		$ -	T8
43.2	$ -	$ -	$ -	1.00	$ -	$ -	50%			$ -		$ -	T8
45	$ 743	$ -	$ -		$ -	$ -	45%			$ 334		$ 409	T8
46	$ 502,401	$ -	$ -	0.50	$ -	$ -	30%			$ 150,720		$ 351,681	T8
47	$ 36,719,777	$ -	$ 2,379,040	0.50	$ 1,189,520	$ -	8%			$ 3,032,744		$ 33,687,034	T8
50	$ 407,169	$ -	$ 204,395	0.50	$ 102,198	$ -	55%			$ 280,152		$ 127,017	T8
95	$ 4,868,581	$ -	$ -	0.00	$ -	$ -	0%			$ -		$ 4,868,581	T8
1	$ 13,719,623	$ -	$ -		$ -	$ -	4%			$ 548,785		$ 13,170,838	T8
49	$ 10,581,639	$ -	$ -		$ -	$ -	8%			$ 846,531		$ 9,735,108	T8
1b	$ 56,430	$ -	$ -		$ -	$ -	6%			$ 3,386		$ 53,044	T8
1b	$ 71,249	$ -	$ -		$ -	$ -	6%			$ 4,275		$ 66,974	T8
1b	$ 3,692,312	$ -	$ -		$ -	$ -	6%			$ 221,539		$ 3,470,773	T8
17	$ 285,338	$ -	$ -		$ -	$ -	8%			$ 22,827		$ 262,511	T8
42	$ 37,753	$ -	$ -		$ -	$ -	12%			$ 4,530		$ 33,223	T8
10	$ 2,185	$ -	$ -		$ -	$ -	30%			$ 656		$ 1,530	T8
	$ 78,039,018	**$ -**	**$ 3,642,024**		**$ 1,757,565**	**$ -**		**$ -**	**$ -**	**$ 6,751,332**	B1	**$ 71,287,686**	

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Ontario Energy Board

Income Tax/PILs Workform for 2021 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**	**0**	B1	**0**	**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	197,479		197,479		10,000		207,479	T13	10,000	
Accrued Employee Future Benefits:	H13	940,114		940,114		138,843		1,078,957	T13	138,843	
- 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		**1,137,593**	**0**	**1,137,593**	B1	**148,843**	**0**	**1,286,436**	B1	**148,843**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

PILs Tax Provision - Test Year

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate				Wires Only		
Regulatory Taxable Income							T1	-$ 2,527,416	A	
Ontario (Max 11.5%)	11.5%	11.5%	-$ 290,653	11.5%	B					
Federal (Max 15%)	15.0%	15.0%	-$ 379,112	15.0%	C					
Combined effective tax rate (Max 26.5%)								26.50%	D = B + C	
Total Income Taxes								-$ **669,765**	E = A * D	
Investment Tax Credits									F	
Miscellaneous Tax Credits									G	
Total Tax Credits								$ -	H = F + G	
Corporate PILs/Income Tax Provision for Test Year								$ -	I = E - H	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]						73.50%	J = 1-D	$ -	K = I/J-I	
Income Tax (grossed-up)								$ -	L = K + I	S. Su

Note:

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

Ontario Energy Board

Income Tax/PILs Workforr

Taxable Income - Test Year

	T2 S1 line #	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	3,552,813
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		3,611,342
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		
Recapture of capital cost allowance from Schedule 8	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	1,295,217
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		

Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Other Additions (Apprenticeship Tax Credits)			5,000
Total Additions			**4,911,559**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	6,011,637
Terminal loss from Schedule 8	404	T8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	0
Reserves from financial statements - balance at beginning of year	414	T13	1,286,436
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 deferral and variance accounts	395		
	395		
	395		
	395		
	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 Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Expenses capitalized for accounting (Poles)			616,548
Capital contribution received			1,165,529
Expenses capitalized for accounting (capitalized OH)			1,531,365
Amortization of contributed capital			380,273
Depreciation removed from P&L to Regulatory Assets			
Total Deductions		calculated	**10,991,788**
NET INCOME FOR TAX PURPOSES		calculated	**-2,527,416**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	0
Net capital losses of previous tax years from Schedule 4	332	T4	0
Limited partnership losses of previous tax years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	**-2,527,416**

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Schedule 4 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Working Paper Reference	Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year Carried Forward	B4	10,732,818		10,732,818
Amount to be used in Test Year and Price Cap Years	T1	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)	T1	2,527,416		2,527,416
Other Adjustments				0
Balance available for use in Future Years	calculated	13,260,234		13,260,234

Net Capital Loss Carry Forward Deduction		Total	Non-Distribution Portion	Utility Balance
Actual/Estimated Bridge Year Carried Forward	B4	21,069		21,069
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	T1	0		0
Loss Carry Forward Generated in Test Year (if any)				0
Other Adjustments				0
Balance available for use in Future Years		21,069		21,069

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Schedule 8 CCA - Test Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the test year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions
1	Buildings, Distribution System (acq'd post 1987)	B8	$ 1,617,543						
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	B8	$ 180,850						
2	Distribution System (acq'd pre 1988)	B8	$ -						
3	Buildings (acq'd pre 1988)	B8	$ -						
6	Certain Buildings; Fences	B8	$ 283,844						
8	General Office Equipment, Furniture, Fixtures	B8	$ 2,276,005	366,946	366,946				
10	Motor Vehicles, Fleet	B8	$ 884,174	495,000	495,000				
10.1	Certain Automobiles	B8	$ -						
12	Computer Application Software (Non-Systems)	B8	$ -	32,000	32,000				
13_1	Lease # 1	B8	$ -						
13_2	Lease # 2	B8	$ -						
13_3	Lease # 3	B8	$ -						
13_4	Lease # 4	B8	$ -						
14	Limited Period Patents, Franchises, Concessions or Licences	B8	$ -						
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	B8	$ 216,548						
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	B8	$ -						
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	B8	$ -						
42	Fibre Optic Cable	B8	$ -						
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	$ -						
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	$ -						
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	B8	$ 409						
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ 351,681						
47	Distribution System (acq'd post Feb 22/05)	B8	$ 33,687,034	2,133,552	2,133,552				
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	B8	$ 127,017	151,000	151,000				
95	CWIP	B8	$ 4,868,581						
1	Distribution System	B8	$ 13,170,838						
49	Electricity Distributoin Equipment	B8	$ 9,735,108						
1b	Non-Residential Buildings -2017	B8	$ 53,044						
1b	Non-Residential Buildings -2018	B8	$ 66,974						
1b	Non-Residential Buildings -2019	B8	$ 3,470,773	60,000	60,000				
17	TS Parking	B8	$ 262,511						
42	Communication Equipment	B8	$ 33,223	50,058	50,058				
10	Computer Hardware	B8	$ 1,530						
	TOTALS		$ 71,287,686	$ 3,288,556	$ 3,288,556	$ -	$ -	$ -	$ -

For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years):
https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t2sch8/t2sch8-19e.pdf

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Schedule

(1) Class	(9) UCC (column 2 plus column 3 plus or minus column 5 minus column 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")	Relevant factor	(12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(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")	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)		(18) UCC at the end of the test year (column 9 minus column 17)
1	$ 1,617,543	$ -	$ -	0.50	$ -	$ -	**4%**			$ 64,702		$ 1,552,842
1b	$ 180,850	$ -	$ -	0.50	$ -	$ -	**6%**			$ 10,851		$ 169,999
2	$ -	$ -	$ -		$ -	$ -	**6%**			$ -		$ -
3	$ -	$ -	$ -		$ -	$ -	**5%**			$ -		$ -
6	$ 283,844	$ -	$ -	0.50	$ -	$ -	**10%**			$ 28,384		$ 255,459
8	$ 2,642,951	$ -	$ 366,946	0.50	$ 183,473	$ -	**20%**			$ 565,285		$ 2,077,666
10	$ 1,379,174	$ -	$ 495,000	0.50	$ 247,500	$ -	**30%**			$ 488,002		$ 891,172
10.1	$ -	$ -	$ -	0.50	$ -	$ -	**30%**			$ -		$ -
12	$ 32,000	$ -	$ 32,000	0.00	$ -	$ -	**100%**			$ 32,000		$ -
13_1	$ -	$ -	$ -	0.00	$ -	$ -	**NA**					$ -
13_2	$ -	$ -	$ -	0.00	$ -	$ -	**NA**					$ -
13_3	$ -	$ -	$ -	0.00	$ -	$ -	**NA**					$ -
13_4	$ -	$ -	$ -	0.00	$ -	$ -	**NA**					$ -
14	$ -	$ -	$ -	0.00	$ -	$ -	**NA**					$ -
14.1	$ 216,548	$ -	$ -		$ -	$ -	**7%**			$ 15,158		$ 201,389
14.1	$ -	$ -	$ -	0.50	$ -	$ -	**5%**			$ -		$ -
17	$ -	$ -	$ -	0.50	$ -	$ -	**8%**			$ -		$ -
42	$ -	$ -	$ -	0.50	$ -	$ -	**12%**			$ -		$ -
43.1	$ -	$ -	$ -	2.33	$ -	$ -	**30%**			$ -		$ -
43.2	$ -	$ -	$ -	1.00	$ -	$ -	**50%**			$ -		$ -
45	$ 409	$ -	$ -		$ -	$ -	**45%**			$ 184		$ 225
46	$ 351,681	$ -	$ -	0.50	$ -	$ -	**30%**			$ 105,504		$ 246,176
47	$ 35,820,586	$ -	$ 2,133,552	0.50	$ 1,066,776	$ -	**8%**			$ 2,950,989		$ 32,869,597
50	$ 278,017	$ -	$ 151,000	0.50	$ 75,500	$ -	**55%**			$ 194,435		$ 83,583
95	$ 4,868,581	$ -	$ -	0.00	$ -	$ -	**0%**			$ -		$ 4,868,581
1	$ 13,170,838	$ -	$ -		$ -	$ -	**4%**			$ 526,834		$ 12,644,005
49	$ 9,735,108	$ -	$ -		$ -	$ -	**8%**			$ 778,809		$ 8,956,299
1b	$ 53,044	$ -	$ -		$ -	$ -	**6%**			$ 3,183		$ 49,862
1b	$ 66,974	$ -	$ -		$ -	$ -	**6%**			$ 4,018		$ 62,956
1b	$ 3,530,773	$ -	$ 60,000		$ -	$ -	**6%**			$ 211,846		$ 3,318,927
17	$ 262,511	$ -	$ -		$ -	$ -	**8%**			$ 21,001		$ 241,510
42	$ 83,281	$ -	$ 50,058		$ -	$ -	**12%**			$ 9,994		$ 73,287
10	$ 1,530	$ -	$ -		$ -	$ -	**30%**			$ 459		$ 1,071
	$ 74,576,242	**$ -**	**$ 3,288,556**		**$ 1,573,249**	**$ -**		**$ -**	**$ -**	**$ 6,011,637**	T1	**$ 68,564,605**

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Income Tax/PILs Workform for 2021 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

						Test Year Adjustments					
Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance		Additions	Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
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)(l)	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	
		0		0				0		0	
Total		**0**	**0**	**0**	T1	**0**	**0**	**0**	T1	**0**	**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	207,479		207,479				207,479		0	
Accrued Employee Future Benefits:	B13	1,078,957		1,078,957		8,781		1,087,738		8,781	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	0		0				0		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**1,286,436**	**0**	**1,286,436**	T1	**8,781**	**0**	**1,295,217**	T1	**8,781**	**0**

APPENDIX 4-6: FEDERAL AND PROVINCIAL 2019 T2 CORPORATION INCOME TAX RETURN FOR HHHI

Canada Revenue Agency / Agence du revenu du Canada

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: Halton Hills Hydro Inc.

Business number: 86742 9623 RC0001

Tax year ▶ From (Y M D): 2019-01-01 To (Y M D): 2019-12-31

Is this an amended return? . . . . ☐ Yes ☒ 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)	906,432
Part I tax payable (line 700)	
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)	

Part 3 – Certification and authorization

@CRA **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, Smelsky (Last name) David (First name) Chief Financial Officer (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.

Date (yyyy/mm/dd): 2020-06-18 — Signature of an authorized signing officer of the corporation: ____________ — Telephone number: (519) 853-3700

Part 4 – Transmitter identification

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

Name of person or firm: KPMG LLP — Electronic filer number: A6698

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.

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

EXEMPT FROM TAX

055 Do not use this area

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.

Identification

Business number (BN) 001 86742 9623 RC0001

Corporation's name
002 Halton Hills Hydro Inc.

Address of head office
Has this address changed since the last time we were notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 43 Alice St
012
City: 015 Acton
Province, territory, or state: 016 ON
Country (other than Canada): 017 CA
Postal or ZIP code: 018 L7J 2A9

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o David Smelsky
022 43 Alice St
023
City: 025 Acton
Province, territory, or state: 026 ON
Country (other than Canada): 027 CA
Postal or ZIP code: 028 L7J 2A9

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 [X]
If **yes**, complete lines 031 to 038.
031
032
City: 035
Province, territory, or state: 036
Country (other than Canada): 037
Postal or ZIP code: 038

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 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 (Year Month Day): 060 2019-01-01
Tax year-end (Year Month Day): 061 2019-12-31

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 [X]
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 [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

Is this the first year of filing after:
Incorporation? . . . . 070 Yes [ ] No [X]
Amalgamation? . . . . 071 Yes [ ] No [X]
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 [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

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

Is the corporation a resident of Canada? 080 Yes [X] 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 [X]
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)
- [X] 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	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		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		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		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		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		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		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		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		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	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		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		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		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		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		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		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		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?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		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?	268	X	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?	269		54

Additional information

	Line	Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

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 of Electricity	285	100.000 %
286		287	%
288		289	%

	Line	Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

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 ☐ No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	906,432	A
Deduct:					
Charitable donations from Schedule 2	311	325			
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	906,107			
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		a			
Subtotal		906,432	▶	906,432	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")					C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C **plus** amount D)			360		
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)					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** 906,432 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** ________ B

Business limit (see notes 1 and 2 below) . . . . . **410** ________ C

Notes:

1. 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.
2. 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 ________ x **415** *** 201,430 D / 11,250 = ... ________ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** ________ – 50,000 = . . ________ F

Amount C ________ / 100,000 x Amount F ________ = ... ________ G

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** ________ 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** ________ 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 ________ x Number of days in the tax year before January 1, 2018 ________ / Number of days in the tax year 365 x 17.5 % = ________ 1

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

Amount A, B, C, or L, whichever is the least ________ x Number of days in the tax year after December 31, 2018 365 / Number of days in the tax year 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** ________ 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 490	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O [3] 500	Q Business limit assigned to corporation identified in column O [4] 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)				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			E	
Aggregate investment income from line 440 on page 6*			F	
Subtotal (**add** amounts B to F)			►	G
Amount A **minus** amount G (if negative, enter "0")				H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %				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		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	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)	▶	J		
Subtotal (amount F **minus** amount J) (if negative, enter "0")		K	x 30 2 / 3 % =	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)				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		x 38 1 / 3 % =	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)			2,164,291	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")	2,164,291	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)	2,164,291	▶	2,164,291	H
Amount H **multiplied** by 38 1 / 3 %			829,645	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)	314,616	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")	314,616	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		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		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		F	
Net amount (amount E **minus** amount F)		►	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)			I

Deduct:

Small business deduction from line 430 on page 4			J
Federal tax abatement	608		
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		
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		►	K

Part I tax payable – Amount I **minus** amount K		L

Enter amount L on line 700 on page 9.

Privacy statement

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
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		

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	
Total tax payable	770	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

Balance (amount A **minus** amount B)

Refund code 894 Refund

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

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 A6698

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

Certification

I, 950 Smelsky (Last name) 951 David (First name) 954 Chief Financial Officer (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 2020-06-18 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (519) 853-3700 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 1

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	18,946,009	16,895,624
	Total tangible capital assets	2008	+	105,461,163	97,733,243
	Total accumulated amortization of tangible capital assets	2009	–		
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	11,790,773	8,858,582
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	136,197,945	123,487,449
	Liabilities				
	Total current liabilities	3139	+	24,397,146	39,667,692
	Total long-term liabilities	3450	+	80,399,969	50,962,930
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	104,797,115	90,630,622
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	31,400,830	32,856,827
	Total liabilities and shareholder equity	3640	=	136,197,945	123,487,449
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	15,441,164	16,897,161

* Generic item

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	72,259,169	71,146,163
	Cost of sales	8518	–	59,807,204	60,673,385
	Gross profit/loss	8519	=	12,451,965	10,472,778
	Cost of sales	8518	+	59,807,204	60,673,385
	Total operating expenses	9367	+	14,510,871	11,192,569
	Total expenses (mandatory field)	9368	=	74,318,075	71,865,954
	Total revenue (mandatory field)	8299	+	74,632,997	73,600,065
	Total expenses (mandatory field)	9368	–	74,318,075	71,865,954
	Net non-farming income	9369	=	314,922	1,734,111
	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	=	314,922	1,734,111
	Total other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–	930,393	-901,963
	Current income taxes	9990	–	-253,790	466,294
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	-361,681	2,169,780

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

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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 [X] No [ ]

Is the accountant connected* with the corporation? . . . . . 097 Yes [ ] No [X]

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 [X]

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 [X]

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 [X] No [ ]

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

Are subsequent events mentioned in the notes? . . . . . 104 Yes [X] No [ ]

Is re-evaluation of asset information mentioned in the notes? . . . . . 105 Yes [ ] No [X]

Is contingent liability information mentioned in the notes? . . . . . 106 Yes [X] No [ ]

Is information regarding commitments mentioned in the notes? . . . . . 107 Yes [X] No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . 108 Yes [ ] No [X]

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 [X]

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 [X]

Did the corporation apply hedge accounting during the tax year? . . . . . . **255** Yes [ ] No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . . . . **260** Yes [ ] No [X]

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 [X]

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

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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			-361,681	A
Add:				
Provision for income taxes – current	101	-253,790		
Amortization of tangible assets	104	2,881,715		
Charitable donations and gifts from Schedule 2	112	325		
Non-deductible club dues and fees	120	3,189		
Non-deductible meals and entertainment expenses	121	3,063		
Reserves from financial statements – balance at the end of the year	126	1,137,593		
Subtotal of additions		3,772,095	3,772,095	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	8,438
2	FA Amortization booked in other GL accounts	219,461
3	Capital contributions received 12(1)(x)	833,461
4	SWAP mark to market	2,274,169
	Total of column 2	3,335,529

Total of column 2	296	3,335,529		
Subtotal of other additions	199	3,335,529	3,335,529	D
Total additions	500	7,107,624	7,107,624	
Amount A **plus** line 500			6,745,943	B
Deduct:				
Gain on disposal of assets per financial statements	401	1,000		
Reserves from financial statements – balance at the beginning of the year	414	1,116,297		
Contributions to deferred income plans from Schedule 15	417	289,928		
Subtotal of deductions		1,407,225	1,407,225	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Expenses capitalized for accounting (poles)	1,321,301
2	Expenses capitalized for accounting (capitalized OH)	724,197
3	Tax recovery incl. in net movements in reg. balance on P&L	355,622
4	Amortization of contributed capital	329,195
5	ITA 13(7.4) Election - capital contributions received	833,461
6	Capitalized Interest	543,584
7	Depreciation removed from P&L to Regulatory (TS)	324,926
	Total of column 2	4,432,286

Total of column 2 — 396 — 4,432,286

Subtotal of other deductions	**499** 4,432,286 ▶	4,432,286	E
Total deductions	**510** 5,839,511 ▶	5,839,511	
Net income (loss) for income tax purposes (amount B **minus** line 510)	. . . .	906,432	C

Enter amount C on line 300 of the T2 return.

 Canada

Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount
Capitalized OH		1,014,125 00
OMERS (included as Sch 15 deduction) See FS for OMERS Capitalized	+	-289,928 00
	+	
	Total	724,197 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Line 120 – Non-deductible club dues and fees

Title Line 120 – Non-deductible club dues and fees

Explanatory note

Golf Tournaments in 2019 - no donation receipts available. Thus, considered whole amount as participation fees for golf. Golf fees are not deductible.

Description	Operator (Note)	Amount
Georgetown Hospital		1,180 00
Halton Hills Chamber of Commerce	+	809 08
The Heritage Foundation (Mayors Tournament)	+	1,200 00
	+	
	Total	3,189 08

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	
X	Ontario apprenticeship training tax credit	8,438
	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario sound recording tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
X	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- For use by corporations to claim any of the following:
  - – the eligible amount of charitable donations to qualified donees
  - – the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - – the eligible amount of gifts of certified cultural property
  - – the eligible amount of gifts of certified ecologically sensitive land or
  - – the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - – Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - – If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Georgetown Hospital Foundation	75
Heritage Acton	250
Subtotal	325
Add: Total donations of less than $100 each	
Total donations in current tax year	325

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Charitable donations expired after 5 tax years*	239				
Charitable donations at the beginning of the current tax year (amount A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)	210	325		325	325
Subtotal (line 250 **plus** line 210)		325	B	325	325
Subtotal (line 240 **plus** amount B)		325	C	325	325
Adjustment for an acquisition of control	255				
Total charitable donations available (amount C **minus** line 255)		325	D	325	325
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) (enter this amount on line 311 of the T2 return)	260	325		325	325
Charitable donations closing balance (amount D **minus** line 260)	280				

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013) . . . **262** ______

Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %) . . . ______ 1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015) . . . **263** ______

Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %) . . . ______ 2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2021) . . . **265** ______

British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %) . . . ______ 3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 % . . . . . 679,824 E

Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2 . . . . . **225** ______

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) . . . . . **227** ______

The amount of the recapture of capital cost allowance in respect of charitable donations . . . . . **230** ______

Proceeds of disposition, **less** outlays and expenses Note 2 . . . . . ______ F

Capital cost Note 2 . . . . . ______ G

Amount F or G, whichever is less . . . . . **235** ______

Amount on line 230 or 235, whichever is less . . . . . ______ H

Subtotal (**add** line 225, 227, and amount H) ______ I

Amount I **multiplied** by 25 % ______ J

Subtotal (amount E **plus** amount J) 679,824 K

Maximum allowable deduction for charitable donations
(enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) . . . . . 325 L

Note 1 For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2 This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			M		
Gifts of certified cultural property expired after 5 tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount M **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			N		
Subtotal (line 440 **plus** amount N)			O		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			P		
Gifts of certified cultural property closing balance (amount O **minus** amount P)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			R		
Subtotal (line 540 **plus** amount R)			S		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			T		
Gifts of certified ecologically sensitive land closing balance (amount S **minus** amount T)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . . ______

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year*	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			U		
Additional deduction for gifts of medicine expired after 5 tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			V		
Amount V **multiplied** by 50 %			W		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

where:
a is the **lesser** of line 601 and amount W
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			X		
Subtotal (line 640 **plus** amount X)			Y		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			Z		
Additional deduction for gifts of medicine closing balance (amount Y **minus** amount Z)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2018-12-31	
2nd prior year	2017-12-31	
3rd prior year	2016-12-31	
4th prior year	2015-12-31	
5th prior year	2014-12-31	
6th prior year*	2013-12-31	
7th prior year	2012-12-31	
8th prior year	2011-12-31	
9th prior year	2010-12-31	
10th prior year	2009-12-31	
11th prior year	2008-12-31	
12th prior year	2007-12-31	
13th prior year	2006-12-31	
14th prior year	2005-12-31	
15th prior year	2004-12-31	
16th prior year	2003-12-31	
17th prior year	2002-12-31	
18th prior year	2001-12-31	
19th prior year	2000-12-31	
20th prior year	1999-12-31	
21st prior year*	1999-04-12	
Total		

* These gifts expired in the current year.

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Schedule 3

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

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

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

Total of column E (enter amount on line 402 of Schedule 1)

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

	F 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 1 240	F1	G Eligible dividends included in column F 242	H Total taxable dividends paid by **connected** payer corporation (for tax year in column D) 250	I Dividend refund of the **connected** payer corporation (for tax year in column D)note 2 260	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3%note 3 265	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3%note 4 275
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") (enter amount on line 712 of the T2 return)	360			

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 (ERDTOH) 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") (enter at amount L on page 7 of the T2 return)		2G

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 (ERDTOH) 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") (enter at amount M on page 7 of the T2 return)		2J

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 (ERDTOH), enter this amount on line 2E, using an override. However, if the dividend refund to the connected payer corporation does not result in an ERDTOH, 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 400	M Business Number 410	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD 420	O Taxable dividends paid to connected corporations 430	P Eligible dividends included in column O 440
1	Halton Hills Community Energy Corporation	87307 4876 RC0001	2019-12-31	820,737	
2					
				820,737 (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	820,737
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	820,737

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)	314,616	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)			820,737	
Other dividends paid in the tax year (total of 510 to 540)				
Total dividends paid in the tax year		500	820,737	
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)			820,737	4B

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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			906,432	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") If amount G is negative, enter it on line 110 as a positive.				G

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		4,196,689	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	4,196,689	▶	4,196,689	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)				4,196,689	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 Enter amount k on line 331 of the T2 Return.	130	906,107	k		
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)		906,107	▶	906,107	K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				3,290,582	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			3,290,582	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	21,069	a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)		21,069	▶	21,069	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)				21,069	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)				21,069	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)				21,069	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 21,069	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 Enter amount g on line 334 of the T2 Return.	330		g		
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		b		
		2,500 c		
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 600	Tax year ending yyyy/mm/dd 602	Corporation's share of limited partnership loss 604	Corporation's at-risk amount 606	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses 608	Column 4 **minus** column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 **minus** column 6) 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 630	Tax year ending yyyy/mm/dd 632	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 634	Corporation's at-risk amount 636	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses 638	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) 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 660	Limited partnership losses at the end of the previous tax year 662	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary 664	Current-year limited partnership losses (from line 620) 670	Limited partnership losses applied in the current year (must be equal to or less than line 650) 675	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) 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 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31	1,923,526	N/A		N/A			1,923,526
3rd preceding taxation year 2016-12-31	1,779,712	N/A		N/A	412,656		1,367,056
4th preceding taxation year 2015-12-31	493,451	N/A		N/A	493,451		
5th preceding taxation year 2014-12-31		N/A		N/A			
6th preceding taxation year 2013-12-31		N/A		N/A			
7th preceding taxation year 2012-12-31		N/A		N/A			
8th preceding taxation year 2011-12-31		N/A		N/A			
9th preceding taxation year 2010-12-31		N/A		N/A			
10th preceding taxation year 2009-12-31		N/A		N/A			
11th preceding taxation year 2008-12-31		N/A		N/A			
12th preceding taxation year 2007-12-31		N/A		N/A			
13th preceding taxation year 2006-12-31		N/A		N/A			
14th preceding taxation year 2005-12-31		N/A		N/A			
15th preceding taxation year 2004-12-31		N/A		N/A			
16th preceding taxation year 2003-12-31		N/A		N/A			
17th preceding taxation year 2002-12-31		N/A		N/A			
18th preceding taxation year 2001-12-31		N/A		N/A			
19th preceding taxation year 2000-12-31		N/A		N/A			
20th preceding taxation year 1999-12-31		N/A		N/A			*
Total	4,196,689				906,107		3,290,582

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

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 [X]

	1 Class number * See note 1 200	Description	2 Undepreciated capital cost (UCC) at the beginning of the year 201	3 Cost of acquisitions during the year (new property must be available for use) See note 2 203	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 225	5 Adjustments and transfers See note 4 205	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 221	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 222	8 Proceeds of dispositions See note 7 207	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) 211
1.	1	Building & Fixtures	1,684,941						0	
2.	1	Distribution system	13,719,623						0	
3.	1b	Non-residential building	192,394						0	
4.	1b	Non-residential building - 2017	56,430						0	
5.	8	Other equipment	803,342	1,541,868	508,804				0	
6.	10	Computer hardware	2,185						0	
7.	10	Fleet	888,737	92,120	92,120				1,000	
8.	12	Computer software & Small Tools expen	105,278	179,320	143,431				0	
9.	14.1		232,847						0	
10.	42	Communication equipment	11,029	26,724					0	
11.	45	Computer equipment	743						0	
12.	46	Scada Comm equipment	56,448	445,953					0	
13.	47	Electricity Distribution equipment	13,759,145	20,581,592	8,682,526				0	
14.	49	Electricity Distribution equipment	10,581,639						0	
15.	50	Computer hardware	123,669	79,105	79,105				0	
16.	95	CIP	24,991,669			-20,123,088			0	
17.	1b	Non-residential building - 2018	71,249						0	
18.	1b	Non-residential building - 2019		3,692,312	100,493				0	
19.	6	TS Fence		315,382					0	
20.	17	TS Parking		285,338					0	
		Totals	67,281,368	27,239,714	9,606,479	-20,123,088			1,000	

	1 Class number * See note 1 200	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 10 224	14 CCA rate % See note 11 212	15 Recapture of CCA See note 12 213	16 Terminal loss See note 13 215	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 14 217	18 UCC at the end of the year (column 9 **minus** column 17) 220
1.	1	Buildin	1,684,941					4	0	0		1,684,941
2.	1	Distrib	13,719,623					4	0	0		13,719,623
3.	1b	Non-re	192,394					6	0	0		192,394
4.	1b	Non-re	56,430					6	0	0		56,430
5.	8	Other	2,345,210		508,804	254,402	516,532	20	0	0		2,345,210
6.	10	Compu	2,185					30	0	0		2,185
7.	10	Fleet	979,857	1,000	91,120	45,560		30	0	0		979,857
8.	12	Compu	284,598		143,431		17,945	100	0	0		284,598
9.	14.1		232,847					5	0	0		232,847
10.	42	Comm	37,753				13,362	12	0	0		37,753
11.	45	Compu	743					45	0	0		743
12.	46	Scada	502,401				222,977	30	0	0		502,401
13.	47	Electric	34,340,737		8,682,526	4,341,263	5,949,533	8	0	0		34,340,737
14.	49	Electric	10,581,639					8	0	0		10,581,639
15.	50	Compu	202,774		79,105	39,553		55	0	0		202,774
16.	95	CIP	4,868,581					0	0	0		4,868,581
17.	1b	Non-re	71,249					6	0	0		71,249
18.	1b	Non-re	3,692,312		100,493	50,247	1,795,910	6	0	0		3,692,312
19.	6	TS Fen	315,382				157,691	10	0	0		315,382
20.	17	TS Par	285,338				142,669	8	0	0		285,338
		Totals	74,396,994	1,000	9,605,479	4,731,025	8,816,619					74,396,994

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).

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Halton Hills Community Energy Cor		87307 4876 RC0001	1					
2.	Town of Halton Hills		10812 6897 RC0001	3					
3.	Southwestern Energy Inc .		87097 1181 RC0004	3					
4.	2008949 Ontario Ltd.		86488 3319 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11) Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefits	922,997		940,114	922,997	940,114
2	AFDA	193,300		197,479	193,300	197,479
3						
4						
	Reserves from Part 2 of Schedule 13					
	Totals	1,116,297		1,137,593	1,116,297	1,137,593

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	453,351	248991			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule	453,351	A
Less:		
Total of all amounts for deferred income plans deducted in your financial statements	163,423	B
Deductible amount for contributions to deferred income plans (amount A **minus** amount B) (if negative, enter "0")	289,928	C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer (EPSP only)

T2 SCH 15 (13)

Canada

Attached Schedule with Total

Total of all amounts for deferred income plans deducted in your financial statements

Title Total of all amounts for deferred income plans deducted in your financial st

Description	Operator (Note)	Amount
OMERS Deducted in P&L		163,423 00
	+	
	+	
	Total	163,423 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . **050** Year 2019

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	Halton Hills Hydro Inc.	86742 9623 RC0001	1	500,000			
2	Halton Hills Community Energy Corporation	87307 4876 RC0001	1	500,000			
3	Town of Halton Hills	10812 6897 RC0001	4				
4	Southwestern Energy Inc .	87097 1181 RC0004	1	500,000	100.0000	500,000	
5	2008949 Ontario Ltd.	86488 3319 RC0001	1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
  - to request a credit carryback to one or more previous years;
  - if you are subject to a recapture of ITC; or
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**;
    - the **Ontario Innovation Tax Credit.**
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** 1 Yes [ ] 2 No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or
c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** 1 Yes [ ] 2 No [X]

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . **103** ______
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.
Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property and qualified resource property	A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year				B1
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	C1
ITC at the beginning of the tax year (amount B1 **minus** amount C1)			220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) ____ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) ____ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	D1
Total credit available (line 220 **plus** amount D1)				E1
Credit deducted from Part I tax	260			
Credit carried back to previous years (amount H1 in Part 6)			a	
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			▶	F1
Credit balance before refund (amount E1 **minus** amount F1)				G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310)			320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)	I1
Credit balance before refund (from amount G1 in Part 5)	J1
Refund (40 % of amount I1 or J1, whichever is less)	K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661)				
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Current expenditures (line 557 on Form T661 **plus** line 103 in Part 3)*			350	
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**			360	
Repayments made in the year (from line 560 on Form T661)			370	
Qualified SR&ED expenditures (total of lines 350 to 370)			380	

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? 385 1 Yes ☐ 2 No ☒

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied)		390	
Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million	98,387,694	398	40,000,000

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation:		$ **8,000,000**	
Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more	500,000 x 10 =	5,000,000	A2
Excess ($8,000,000 **minus** amount A2 if the taxation year ends before March 19, 2019; otherwise, enter $3,000,000) (if negative, enter "0")*		3,000,000	B2
$ 40,000,000 **minus** line 398 in Part 9	b		
Amount b **divided** by $ 40,000,000			C2
Expenditure limit for the stand-alone corporation (amount B2 **multiplied** by amount C2)**			D2
For an associated corporation:			
If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49**	400		E2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D2 or E2 ______ x Number of days in the tax year 365 / 365 = ______ F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies) 410 ______

* For taxation years ending after March 18, 2019, the taxable income is no longer taken into account in the SR&ED expenditure limit calculation. For more information, consult the Help (F1).

** Amount D2 or E2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* . . . . **420** ________ x 35 % = ________ G2

Line 350 **minus** line 410 (if negative, enter "0") . . . . **430** ________

Amount from line 430 ________ x (Number of days in the tax year before 2014 / Number of days in the tax year) ________ x 20% = ________ c

Amount from line 430** ________ x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = ________ d

Subtotal (amount c **plus** amount d) . . . . ________ ▶ ________ H2

Line 410 **minus** line 350 (if negative, enter "0") . . . . ________ e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less* . . . . **440** ________ x 35 % = ________ I2

Line 360 **minus** amount e (if negative, enter "0") . . . . **450** ________

Amount from line 450 ________ x (Number of days in the tax year before 2014 / Number of days in the tax year) ________ x 20% = ________ f

Amount from line 450** ________ x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = ________ g

Subtotal (amount f **plus** amount g) . . . . ________ ▶ ________ J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . . ________

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC*** . . . . **460** ________ x 35 % = ________ h

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015 . . . . **480** ________ x 20 % = ________ i

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014 . . . . . **490** ________ x 15 % = ________ j

Subtotal (**add** amounts h to j) ________ ▶ ________ K2

Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) . . . . ________ L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year				M2
Credit deemed as a remittance of co-op corporations	510			
Credit expired	515			
Subtotal (line 510 **plus** line 515)				N2
ITC at the beginning of the tax year (amount M2 **minus** amount N2)			520	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530			
Total current-year credit (from amount L2 in Part 11)	540			
Credit allocated from a partnership	550			
Subtotal (total of lines 530 to 550)				O2
Total credit available (line 520 **plus** amount O2)				P2
Credit deducted from Part I tax	560			
Credit carried back to previous years (amount S2 in Part 13)		k		
Credit transferred to offset Part VII tax liability	580			
Subtotal (total of line 560, amount k, and line 580)				Q2
Credit balance before refund (amount P2 **minus** amount Q2)				R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610	
ITC closing balance on SR&ED (amount R2 **minus** line 610)			620	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	
				Total of lines 911 to 913 Enter at amount k in Part 12.		S2

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? . . . . **650** 1 Yes [ ] 2 No [X]

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11)		I
Refundable credits (amount I or amount R2 in Part 12, whichever is less)*		T2
Amount T2 or amount G2 in Part 11, whichever is less		U2
Net amount (amount T2 **minus** amount U2; if negative, enter "0")		V2
Amount V2 **multiplied** by 40 %		W2
Amount U2		X2
Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12)		Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12)		Z2
Amount Z2 or amount G2 in Part 11, whichever is less		AA2
Net amount (amount Z2 **minus** amount AA2; if negative, enter "0")		BB2
Amount BB2 or amount I2 in Part 11, whichever is less		CC2
Amount CC2 **multiplied** by 40 %		DD2
Amount AA2		EE2
Refund of ITC (amount DD2 **plus** amount EE2)		FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount C3 in Part 17. ______ A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred **750**	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount D3 in Part 17. ______ B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ______
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 29.		F3

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting . . . . . 810 ______

Geological, geophysical, or geochemical surveys . . . . . 811 ______

Drilling by rotary, diamond, percussion, or other methods . . . . . 812 ______

Trenching, digging test pits, and preliminary sampling . . . . . 813 ______

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping . . . . . 820 ______

Sinking a mine shaft, constructing an adit, or other underground entry . . . . . 821 ______

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826

Total of column 826 ______ ► ______ A4

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4) . . . . . 830 ______

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above . . . . . 832 ______

Excess (line 830 **minus** line 832) (if negative, enter "0") . . . . . ______ B4

Repayments of government and non-government assistance . . . . . 835 ______

Pre-production mining expenditures (amount B4 **plus** line 835) . . . . . ______ C4

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				D4
Credit deemed as a remittance of co-op corporations	841			
Credit expired	845			
Subtotal (line 841 **plus** line 845)			▶	E4
ITC at the beginning of the tax year (amount D4 **minus** amount E4)			850	
Credit transferred on an amalgamation or the wind-up of a subsidiary			860	

Pre-production mining expenditures* incurred before January 1, 2013 (applicable part from amount C4 in Part 18)	870	x 10 % =		m
Pre-production mining exploration expenditures** incurred in 2013 (applicable part from amount C4 in Part 18)	872	x 5 % =		n
Pre-production mining development expenditures incurred in 2014 (applicable part from amount C4 in Part 18)	874	x 7 % =		o
Pre-production mining development expenditures incurred in 2015 (applicable part from amount C4 in Part 18)	876	x 4 % =		p

Current year credit (total of amounts m to p)	880		▶	F4
Total credit available (total of lines 850, 860, and amount F4)				G4
Credit deducted from Part I tax	885			
Credit carried back to previous years (amount I4 in Part 20)			q	
Subtotal (line 885 **plus** amount q)			▶	H4
ITC closing balance from pre-production mining expenditures (amount G4 **minus** amount H4)			890	

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	
				Total of lines 921 to 923 Enter at amount q in Part 19.		I4

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . 611 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
1.	SYS025056	Powerline Technician	29,833	2,983	2,000

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605	
2.	James Johnston	Powerline Technician	45,208	4,521	2,000	
				Total current-year credit (total of column E) Enter on line 640 in Part 22.	4,000	A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year			12,382	B5
Credit deemed as a remittance of co-op corporations	612			
Credit expired after 20 tax years	615			
Subtotal (line 612 **plus** line 615)			►	C5
ITC at the beginning of the tax year (amount B5 **minus** amount C5)	625		12,382	
Credit transferred on an amalgamation or the wind-up of a subsidiary	630			
ITC from repayment of assistance	635			
Total current-year credit (amount A5 in Part 21)	640	4,000		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		4,000	► 4,000	D5
Total credit available (line 625 **plus** amount D5)			16,382	E5
Credit deducted from Part I tax	660			
Credit carried back to previous years (amount G5 in Part 23)			r	
Subtotal (line 660 **plus** amount r)			►	F5
ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5)	690		16,382	

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year Month Day				
1st previous tax year		Credit to be applied	931		
2nd previous tax year		Credit to be applied	932		
3rd previous tax year		Credit to be applied	933		
		Total of lines 931 to 933 Enter at amount r in Part 22.			G5

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695) 715 ______

Specified child care start-up expenditures from the current tax year	705		
Total gross eligible expenditures for child care spaces (line 715 **plus** line 705)			A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6	725		
Excess (amount A6 **minus** line 725) (if negative, enter "0")			B6
Repayments by the corporation of government and non-government assistance	735		
Total eligible expenditures for child care spaces (amount B6 **plus** line 735)	745		

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24)			x	25 %	=	C6
Number of child care spaces	755		x	$ 10,000	=	D6
ITC from child care spaces expenditures (amount C6 or D6, whichever is less)						E6

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			►	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			►	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 27)			s	
Subtotal (line 785 **plus** amount s)			►	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 27 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2018-12-31	Credit to be applied	941	
2nd previous tax year	2017-12-31	Credit to be applied	942	
3rd previous tax year	2016-12-31	Credit to be applied	943	

Total of lines 941 to 943
Enter at amount s in Part 26. K6

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))		792		
In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:				
The amount that can reasonably be considered to have been included in the original ITC	795			
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	797			
Amount from line 795 or line 797, whichever is less				A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC	799		
Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799)			B7

Enter at amount B8 in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)		A8
Recaptured child care spaces ITC (amount B7 in Part 28)		B8
Total recapture of investment tax credit (amount A8 **plus** amount B8)		C8

Enter on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		D8
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)		E8
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19)		F8
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22)		G8
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26)		H8
Total ITC deducted from Part I tax (total of amounts D8 to H8)		I8

Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
4,000				4,000

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2018-12-31	2,716			2,716
2017-12-31	2,000			2,000
2016-12-31	2,000			2,000
2015-12-31	1,666			1,666
2014-12-31	2,000			2,000
2013-12-31	2,000			2,000
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				*
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
2000-12-31				
1999-12-31				*
Total	12,382			12,382

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	10,767,215		
Capital stock (or members' contributions if incorporated without share capital)	103	16,161,663		
Retained earnings	104	15,441,164		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	68,760,132		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110	273,579		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		111,403,753	► 111,403,753	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
  a) those lines applied to partnerships in the same manner that they apply to corporations, and
  b) those amounts were computed without reference to amounts owing by the partnership
    (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
    (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			111,403,753	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	5,192,078		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		5,192,078 ►	5,192,078	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")			190 106,211,675	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,210,260
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,210,260

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		106,211,675	C
Deduct: Investment allowance for the year (line 490)		3,210,260	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	103,001,415	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 103,001,415 x Taxable income earned in Canada **610** 1,000 / Taxable income 1,000 = **Taxable capital employed in Canada** **690** 103,001,415

Notes: 1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **701**

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada **711**

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada **712**

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) **713**

Total deductions (**add** lines 711, 712, and 713) ► E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") **790**

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Current portion of bank loan		961,904 00
Customer Deposits Current	+	669,580 00
Long term portion of bank loan	+	46,614,471 00
Note Payable	+	13,000,000 00
Bank overdraft	+	7,514,177 00
	+	
	+	
	Total	68,760,132 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Description	Operator (Note)	Amount
Due from affiliated companies		2,602,450 00
Prepaid expenses	+	607,810 00
	+	
	Total	3,210,260 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in calculating income for th

Description	Operator (Note)	Amount	
Deferred income taxes		9,629,622	00
Reserves	+	1,137,593	00
	+		
	Total	10,767,215	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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) 100	Business number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Halton Hills Community Energy	87307 4876 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

On: 2019-12-31

- 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	2,164,291
Taxable income for the year (DICs enter "0") *	110		
Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least *	130		
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)	▶		A
Income taxable at the general corporate rate (line 110 **minus** amount A) (if negative enter "0")	150		
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))		190	
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)			2,164,291 C
Eligible dividends paid in the previous tax year	300		
Excessive eligible dividend designations made in the previous tax year	310		
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 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	2,164,291
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) Enter this amount on line 160 of Schedule 55.		590	2,164,291

* 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 2018-12-31

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 2017-12-31

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 2016-12-31

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.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

	Line	Amount	
Taxable dividends paid in the tax year **not included** in Schedule 3			
Taxable dividends paid in the tax year **included** in Schedule 3		820,737	
Total taxable dividends paid in the tax year	100	820,737	
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	2,164,291	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

	Line	Amount	
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**.

Canada Revenue Agency | Agence du revenu du Canada

SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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)
Halton Hills Hydro Inc.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	1999-04-13	1349889

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

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
43	Alice St	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
Acton	ON	CA	L7J 2A9

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 2 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 Smelsky (Last name) **451** David (First name)

454 ______________________ ,
Middle name(s)

460 2 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 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 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.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name	**705** First name	**710** Middle name(s)
720 Street number	**730** Street name/Rural route/Lot and Concession number	**740** Suite number
750 Additional address information if applicable (line 730 must be completed first)		
760 Municipality (e.g., city, town): Georgetown	**770** Province/state: ON	**780** Country: CA
790 Postal/zip code		

Director

Is this director a resident Canadian? . . . **795** 1 Yes [X] 2 No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed (Year Month Day): 2018-09-28

797 Date ceased, if applicable (Year Month Day): 2019-06-30

Officer information

Position		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821	2018-09-28	822	2018-09-28
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name	705 First name	710 Middle name(s)
720 Street number	730 Street name/Rural route/Lot and Concession number	740 Suite number

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Glen Williams	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes [X] **2** No [ ]
(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2019-08-01	797	

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name

705 First name

710 Middle name(s)

720 Street number

730 Street name/Rural route/Lot and Concession number

740 Suite number

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town): Acton

770 Province/state: ON

780 Country: CA

790 Postal/zip code

Director

Is this director a resident Canadian? . . . **795** **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed (Year Month Day): 2019-08-01

797 Date ceased, if applicable (Year Month Day):

Officer information

Officer	Line	Date appointed (Year Month Day)	Line	Date ceased, if applicable (Year Month Day)
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
- The corporation is required to show information on the MGS public record for all its directors and a maximum of five of its most senior officers. If the MGS public record shows more than five officer positions, report cease dates for all except the corporation's five most senior officer positions.
- To report changes to the name of a director/officer, or changes to both the address and the date elected/appointed of a director/officer, enter the director/officer information exactly as shown incorrectly on the public record, with a cease date, and then photocopy and complete only Part 7 with the correct director/officer information.

Please photocopy this page and complete Part 7 only for each additional individual for whom director/officer information changes are being reported.

Full name and address for service (P.O. box not acceptable as stand-alone address). The name entered in lines 700 to 710 must be exactly as shown on the MGS public record.

700 Last name	**705** First name	**710** Middle name(s)
720 Street number	**730** Street name/Rural route/Lot and Concession number	**740** Suite number
750 Additional address information if applicable (line 730 must be completed first)		

760 Municipality (e.g., city, town)	**770** Province/state	**780** Country	**790** Postal/zip code
Georgetown	ON	CA	

Director

Is this director a resident Canadian? . . . **795** 1 Yes [X] 2 No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day: 2019-08-01

797 Date ceased, if applicable Year Month Day:

Officer information

Position		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
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720 Street number	730 Street name/Rural route/Lot and Concession number	740 Suite number

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Georgetown	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2014-09-30	797	2019-12-31

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

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Part 7 – Director/Officer information

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750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Georgetown	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes ☐ **2** No ☐

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day:

797 Date ceased, if applicable Year Month Day:

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821	2019-07-01	822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . Halton Hills Hydro Inc.

Taxation Year . . . . 2019-01-01 to 2019-12-31

Jurisdiction . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 4

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . .

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		906,432
Taxable income		
Donations		325
Calculation of income from an active business carried on in Canada		906,432
Dividends paid		820,737
Dividends paid – Regular	820,737	
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		2,164,291
Balance of the general rate income pool at the end of the year		2,164,291
Part I tax (base amount)		

Summary of federal carryforward/carryback information

Carryforward balances

Investment tax credits	16,382
Non-capital losses	3,290,582
Capital losses/L.P.P.	21,069
Financial statement reserve	1,137,593

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	906,432		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			
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 of provincial carryforward amounts

Other carryforward amounts

Ontario

Transitional tax credit – Schedule 506	2,226
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	463,428
Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510	971,093

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
Halton Hills Hydro Inc.	98,387,694	98,387,694	103,001,415	103,001,415
Halton Hills Community Energy Corporation	1,062,821	1,062,821	1,739,095	1,739,095
Town of Halton Hills				
Southwestern Energy Inc .				
2008949 Ontario Ltd.	73,719	73,719	56,740	56,740
Total	99,524,234	99,524,234	104,797,250	104,797,250

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

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Net income	906,432	996,669	-1,923,526	-1,799,911	-1,488,120
Taxable income					
Active business income	906,432	996,669			
Dividends paid	820,737	903,714	1,203,965	1,297,000	1,297,000
Dividends paid – Regular	820,737	903,714	1,203,965	1,297,000	1,297,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	2,164,291	2,164,291	2,164,291	2,164,291	2,164,291
GRIP – end of the year	2,164,291	2,164,291	2,164,291	2,164,291	2,164,291
Donations	325		2,000		
Balance due/refund (-)		2,529	12,482	-25,527	-7,877
Line 996 – Amended tax return	☐	☐	☐	☒	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Taxable income before 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 loss carried back to prior years	N/A	N/A			
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	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
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	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
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	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
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	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Part I					
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit					
Abatement/other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments		42,210	29,728	51,743	52,228
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Net income	906,432	996,669	-1,923,526	-1,799,911	-1,488,120
Taxable income					
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*		53,177	52,958	47,348	56,678
Instalments and refundable credits		8,438	10,748	21,132	12,327
Balance due/refund**		44,739	42,210	26,216	44,351

* 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.

Tax Instalments

For the taxation year ended 2020-12-31

Business number 86742 9623 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.

You can mail a cheque or a money order payable to the Minister of Finance, to Ministry of Finance, HYDRO PILS DIVISION, 33 King St, Oshawa L1H 1A1.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2020-01-31			3,611	-3,611	
2020-02-29			3,611	-7,222	
2020-03-31			3,611	-10,833	
2020-04-30			3,611	-14,444	
2020-05-31				-14,444	
2020-06-30				-14,444	
2020-07-31				-14,444	
2020-08-31				-14,444	
2020-09-30				-14,444	
2020-10-31				-14,444	
2020-11-30				-14,444	
2020-12-31				-14,444	
2021-01-31					
2021-02-28					
Totals			14,444		-14,444

200

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

055 Do not use this area

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.

Identification

Business number (BN) 001 86742 9623 RC0001

Corporation's name
002 Halton Hills Hydro Inc.

Address of head office
Has this address changed since the last time we were notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 43 Alice St
012
City: 015 Acton
Province, territory, or state: 016 ON
Country (other than Canada): 017 CA
Postal or ZIP code: 018 L7J 2A9

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . 020 Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o David Smelsky
022 43 Alice St
023
City: 025 Acton
Province, territory, or state: 026 ON
Country (other than Canada): 027 CA
Postal or ZIP code: 028 L7J 2A9

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 [X]
If **yes**, complete lines 031 to 038.
031
032
City: 035
Province, territory, or state: 036
Country (other than Canada): 037
Postal or ZIP code: 038

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 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 — Year Month Day: 060 2019-01-01
Tax year-end — Year Month Day: 061 2019-12-31

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 [X]
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 [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . 067 Yes [ ] No [X]

Is this the first year of filing after:
Incorporation? . . . . 070 Yes [ ] No [X]
Amalgamation? . . . . 071 Yes [ ] No [X]
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 [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . 076 Yes [ ] No [X]

Is this the final return up to dissolution? . . . . 078 Yes [ ] No [X]

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

Is the corporation a resident of Canada? 080 Yes [X] 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 [X]
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	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		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		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		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		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		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		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		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		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	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	X	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		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		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232		T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		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		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		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		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		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?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		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?	268	X	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?	269		54

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

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 of Electricity	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

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 [ ] No [ ]

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		906,432	A
Deduct:				
Charitable donations from Schedule 2	311	325		
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	906,107		
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		a		
Subtotal		906,432 ►	906,432	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360			
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)				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** 906,432 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** ______ B

Business limit (see notes 1 and 2 below) . . . . . **410** ______ C

Notes:

1. 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.
2. 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 ______ x **415** *** 201,430 / 11,250 D = ... ______ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** ______ – 50,000 = . . ______ F

Amount C ______ x Amount F ______ / 100,000 = ... ______ G

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** ______ 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** ______ 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 ______ x Number of days in the tax year before January 1, 2018 ______ / Number of days in the tax year 365 x 17.5 % = ______ 1

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

Amount A, B, C, or L, whichever is the least ______ x Number of days in the tax year after December 31, 2018 365 / Number of days in the tax year 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** ______ 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 490	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O [3] 500	Q Business limit assigned to corporation identified in column O [4] 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)				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			E	
Aggregate investment income from line 440 on page 6*			F	
Subtotal (**add** amounts B to F)			►	G
Amount A **minus** amount G (if negative, enter "0")				H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %				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 . . . . ________ 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 . . . . ________ 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) ________ ▶ ________ J

Subtotal (amount F **minus** amount J) (if negative, enter "0") ________ K x 30 2 / 3 % = ________ L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) . . . . ________ 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 . . . . . . ________ x 38 1 / 3 % = ________ 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)			2,164,291	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")	2,164,291	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)	2,164,291	▶	2,164,291	H
Amount H **multiplied** by 38 1 / 3 %			829,645	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)	314,616	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")	314,616	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	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	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	F			
Net amount (amount E **minus** amount F)	►		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)				I

Deduct:

Small business deduction from line 430 on page 4		J	
Federal tax abatement	608		
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		
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		►	K

Part I tax payable – Amount I **minus** amount K	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	
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		

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	
Total tax payable	770	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	11,000
Tax instalments paid	840	44,739
Labour tax credit for qualifying journalism organizations		
Total credits	890	55,739 ▶ 55,739 B

Balance (amount A **minus** amount B) -55,739

Refund code 894 1   Refund 55,739

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

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 A6698

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

Certification

I, 950 Smelsky (Last name) 951 David (First name) 954 Chief Financial Officer (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 2020-06-18 Date (yyyy/mm/dd)   Signature of the authorized signing officer of the corporation   956 (519) 853-3700 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 1

Halton Hills Hydro Inc.
Period ended December 31, 2019
86742 9623 RC0001
Regulation 1101(5b.1) Election

The taxpayer hereby elects pursuant to subsection 1101(5b.1) of the Income Tax Regulations of Canada, to include each eligible non-residential building acquired during the year in a separate prescribed class.

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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 .... -361,681 A

Add:

Provision for income taxes – current	101	-253,790	
Amortization of tangible assets	104	2,881,715	
Charitable donations and gifts from Schedule 2	112	325	
Non-deductible club dues and fees	120	3,189	
Non-deductible meals and entertainment expenses	121	3,063	
Reserves from financial statements – balance at the end of the year	126	1,137,593	
Subtotal of additions		3,772,095	3,772,095

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	8,438
2	FA Amortization booked in other GL accounts	219,461
3	Capital contributions received 12(1)(x)	833,461
4	SWAP mark to market	2,274,169
	Total of column 2	3,335,529

Total of column 2	296	3,335,529	
Subtotal of other additions	199	3,335,529	3,335,529 D
Total additions	500	7,107,624	7,107,624

Amount A **plus** line 500 .... 6,745,943 B

Deduct:

Gain on disposal of assets per financial statements	401	1,000	
Reserves from financial statements – balance at the beginning of the year	414	1,116,297	
Contributions to deferred income plans from Schedule 15	417	289,928	
Subtotal of deductions		1,407,225	1,407,225

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Expenses capitalized for accounting (poles)	1,321,301
2	Expenses capitalized for accounting (capitalized OH)	724,197
3	Tax recovery incl. in net movements in reg. balance on P&L	355,622
4	Amortization of contributed capital	329,195
5	ITA 13(7.4) Election - capital contributions received	833,461
6	Capitalized Interest	543,584
7	Depreciation removed from P&L to Regulatory (TS)	324,926
	Total of column 2	4,432,286

Total of column 2 ▶ 396 4,432,286

Subtotal of other deductions	499	4,432,286 ▶	4,432,286	E
Total deductions	510	5,839,511 ▶	5,839,511	
Net income (loss) for income tax purposes (amount B **minus** line 510)			906,432	C

Enter amount C on line 300 of the T2 return.

T2 SCH 1 E (19)

Canadä

Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount	
Capitalized OH		1,014,125	00
OMERS (included as Sch 15 deduction) See FS for OMERS Capitalized	+	-289,928	00
	+		
	Total	724,197	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Line 120 – Non-deductible club dues and fees

Title Line 120 – Non-deductible club dues and fees

Explanatory note

Golf Tournaments in 2019 - no donation receipts available. Thus, considered whole amount as participation fees for golf. Golf fees are not deductible.

Description	Operator (Note)	Amount
Georgetown Hospital		1,180 00
Halton Hills Chamber of Commerce	+	809 08
The Heritage Foundation (Mayors Tournament)	+	1,200 00
	+	
	Total	3,189 08

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
X	Ontario co-operative education tax credit	
X	Ontario apprenticeship training tax credit	8,438
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario sound recording tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
X	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency / Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years. Provincial food donation tax credits must be applied in the current tax year.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Georgetown Hospital Foundation	75
Heritage Acton	250
Subtotal	325
Add: Total donations of less than $100 each	
Total donations in current tax year	325

Part 1 – Charitable donations

		Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			A		
Charitable donations expired after 5 tax years*	239				
Charitable donations at the beginning of the current tax year (amount A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)	210	325		325	325
Subtotal (line 250 **plus** line 210)		325	B	325	325
Subtotal (line 240 **plus** amount B)		325	C	325	325
Adjustment for an acquisition of control	255				
Total charitable donations available (amount C **minus** line 255)		325	D	325	325
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2) (enter this amount on line 311 of the T2 return)	260	325		325	325
Charitable donations closing balance (amount D **minus** line 260)	280				

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262		
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	263		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016 and before January 1, 2021)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 % . . . . . 679,824 E

Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2 . . . . . **225** ______

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) . . . . . **227** ______

The amount of the recapture of capital cost allowance in respect of charitable donations . . . . . **230** ______

Proceeds of disposition, **less** outlays and expenses Note 2 . . . . . ______ F

Capital cost Note 2 . . . . . ______ G

Amount F or G, whichever is less . . . . . **235** ______

Amount on line 230 or 235, whichever is less . . . . . ______ H

Subtotal (**add** line 225, 227, and amount H) ______ I

Amount I **multiplied** by 25 % ______ J

Subtotal (amount E **plus** amount J) 679,824 K

Maximum allowable deduction for charitable donations
(enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) . . . . . 325 L

Note 1 For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2 This amount must be prorated by the following calculation: eligible amount of the gift **divided by** the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

	Line	Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			M		
Gifts of certified cultural property expired after 5 tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount M **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			N		
Subtotal (line 440 **plus** amount N)			O		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			P		
Gifts of certified cultural property closing balance (amount O **minus** amount P)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

	Line	Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			Q		
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	539				
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount Q **minus** line 539)	540				
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	550				
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	520				
Subtotal (line 550 **plus** line 520)			R		
Subtotal (line 540 **plus** amount R)			S		
Adjustment for an acquisition of control	555				
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	560				
Subtotal (line 555 **plus** line 560)			T		
Gifts of certified ecologically sensitive land closing balance (amount S **minus** amount T)	580				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . .

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year*	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

	Line	Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			U		
Additional deduction for gifts of medicine expired after 5 tax years*	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount U **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			V		
Amount V **multiplied** by 50 %			W		
Eligible amount of gifts	600				

Federal

a ________ x (b ________ / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ________

Québec

a ________ x (b ________ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ________

Alberta

a ________ x (b ________ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ________

where:

a is the **lesser** of line 601 and amount W
b is the eligible amount of gifts (line 600)
c is the proceeds of disposition (line 602)

	Line	Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			X		
Subtotal (line 640 **plus** amount X)			Y		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			Z		
Additional deduction for gifts of medicine closing balance (amount Y **minus** amount Z)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2018-12-31			
2nd prior year	2017-12-31			
3rd prior year	2016-12-31			
4th prior year	2015-12-31			
5th prior year	2014-12-31			
6th prior year*	2013-12-31			
7th prior year	2012-12-31			
8th prior year	2011-12-31			
9th prior year	2010-12-31			
10th prior year	2009-12-31			
11th prior year	2008-12-31			
12th prior year	2007-12-31			
13th prior year	2006-12-31			
14th prior year	2005-12-31			
15th prior year	2004-12-31			
16th prior year	2003-12-31			
17th prior year	2002-12-31			
18th prior year	2001-12-31			
19th prior year	2000-12-31			
20th prior year	1999-12-31			
21st prior year*	1999-04-12			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2018-12-31	
2nd prior year	2017-12-31	
3rd prior year	2016-12-31	
4th prior year	2015-12-31	
5th prior year	2014-12-31	
6th prior year*	2013-12-31	
7th prior year	2012-12-31	
8th prior year	2011-12-31	
9th prior year	2010-12-31	
10th prior year	2009-12-31	
11th prior year	2008-12-31	
12th prior year	2007-12-31	
13th prior year	2006-12-31	
14th prior year	2005-12-31	
15th prior year	2004-12-31	
16th prior year	2003-12-31	
17th prior year	2002-12-31	
18th prior year	2001-12-31	
19th prior year	2000-12-31	
20th prior year	1999-12-31	
21st prior year*	1999-04-12	
Total		

* These gifts expired in the current year.

Canada Revenue Agency Agence du revenu du Canada

Schedule 3

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

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

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

Total of column E (enter amount on line 402 of Schedule 1)

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

	F 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 1 240	F1	G Eligible dividends included in column F 242	H Total taxable dividends paid by **connected** payer corporation (for tax year in column D) 250	I Dividend refund of the **connected** payer corporation (for tax year in column D)note 2 260	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3%note 3 265	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3%note 4 275
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 (ERDTOH) 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 (ERDTOH) 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 (ERDTOH), enter this amount on line 2E, using an override. However, if the dividend refund to the connected payer corporation does not result in an ERDTOH, 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 400	M Business Number 410	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD 420	O Taxable dividends paid to connected corporations 430	P Eligible dividends included in column O 440
1	Halton Hills Community Energy Corporation	87307 4876 RC0001	2019-12-31	820,737	
2					
				820,737 (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	820,737	
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	820,737	

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)		314,616	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)		820,737	
Other dividends paid in the tax year (total of 510 to 540)			
Total dividends paid in the tax year	500	820,737	
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)		820,737	4B

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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			906,432	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") If amount G is negative, enter it on line 110 as a positive.				G

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		4,196,689	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	4,196,689	▶	4,196,689	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)				4,196,689	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 Enter amount k on line 331 of the T2 Return.	130	906,107	k		
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)		906,107	▶	906,107	K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				3,290,582	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	3,290,582	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	21,069	a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)		21,069	▶	21,069	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)				21,069	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)				21,069	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)		21,069	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	21,069	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 Enter amount g on line 334 of the T2 Return.	330		g		
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					b
	2,500	c			
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) Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.	410			g	
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 Enter amount h on line 333 of the T2 return.	430			h	
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 600	Tax year ending yyyy/mm/dd 602	Corporation's share of limited partnership loss 604	Corporation's at-risk amount 606	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses 608	Column 4 **minus** column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 **minus** column 6) 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 630	Tax year ending yyyy/mm/dd 632	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 634	Corporation's at-risk amount 636	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses 638	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) 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 660	Limited partnership losses at the end of the previous tax year 662	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary 664	Current-year limited partnership losses (from line 620) 670	Limited partnership losses applied in the current year (must be equal to or less than line 650) 675	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) 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 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31	1,923,526	N/A		N/A			1,923,526
3rd preceding taxation year 2016-12-31	1,779,712	N/A		N/A	412,656		1,367,056
4th preceding taxation year 2015-12-31	493,451	N/A		N/A	493,451		
5th preceding taxation year 2014-12-31		N/A		N/A			
6th preceding taxation year 2013-12-31		N/A		N/A			
7th preceding taxation year 2012-12-31		N/A		N/A			
8th preceding taxation year 2011-12-31		N/A		N/A			
9th preceding taxation year 2010-12-31		N/A		N/A			
10th preceding taxation year 2009-12-31		N/A		N/A			
11th preceding taxation year 2008-12-31		N/A		N/A			
12th preceding taxation year 2007-12-31		N/A		N/A			
13th preceding taxation year 2006-12-31		N/A		N/A			
14th preceding taxation year 2005-12-31		N/A		N/A			
15th preceding taxation year 2004-12-31		N/A		N/A			
16th preceding taxation year 2003-12-31		N/A		N/A			
17th preceding taxation year 2002-12-31		N/A		N/A			
18th preceding taxation year 2001-12-31		N/A		N/A			
19th preceding taxation year 2000-12-31		N/A		N/A			
20th preceding taxation year 1999-12-31		N/A		N/A			*
Total	4,196,689				906,107		3,290,582

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

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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	003 Yes	103		143		
Newfoundland and Labrador Offshore	004 Yes	104		144		
Prince Edward Island	005 Yes	105		145		
Nova Scotia	007 Yes	107		147		
Nova Scotia Offshore	008 Yes	108		148		
New Brunswick	009 Yes	109		149		
Quebec	011 Yes	111		151		
Ontario	013 Yes	113		153		
Manitoba	015 Yes	115		155		
Saskatchewan	017 Yes	117		157		
Alberta	019 Yes	119		159		
British Columbia	021 Yes	121		161		
Yukon	023 Yes	123		163		
Northwest Territories	025 Yes	125		165		
Nunavut	026 Yes	126		166		
Outside Canada	027 Yes	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

Ontario basic income tax (from Schedule 500)	270			
Ontario small business deduction (from Schedule 500)	402			
Subtotal (line 270 **minus** line 402)				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)				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")				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")				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")				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)				5I
Ontario qualifying environmental trust tax credit	450			
Ontario co-operative education tax credit (from Schedule 550)	452	6,000		
Ontario apprenticeship training tax credit (from Schedule 552)	454	5,000		
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)		11,000		11,000 5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.			290	-11,000

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 -11,000

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.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

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 [X]

	1 Class number * See note 1 **200**	Description	2 Undepreciated capital cost (UCC) at the beginning of the year **201**	3 Cost of acquisitions during the year (new property must be available for use) See note 2 **203**	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 **225**	5 Adjustments and transfers See note 4 **205**	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 **221**	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 **222**	8 Proceeds of dispositions See note 7 **207**	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) **211**
1.	1	Building & Fixtures	1,684,941						0	
2.	1	Distribution system	13,719,623						0	
3.	1b	Non-residential building	192,394						0	
4.	1b	Non-residential building - 2017	56,430						0	
5.	8	Other equipment	803,342	1,541,868	508,804				0	
6.	10	Computer hardware	2,185						0	
7.	10	Fleet	888,737	92,120	92,120				1,000	
8.	12	Computer software & Small Tools expen	105,278	179,320	143,431				0	
9.	14.1		232,847						0	
10.	42	Communication equipment	11,029	26,724					0	
11.	45	Computer equipment	743						0	
12.	46	Scada Comm equipment	56,448	445,953					0	
13.	47	Electricity Distribution equipment	13,759,145	20,581,592	8,682,526				0	
14.	49	Electricity Distribution equipment	10,581,639						0	
15.	50	Computer hardware	123,669	79,105	79,105				0	
16.	95	CIP	24,991,669			-20,123,088			0	
17.	1b	Non-residential building - 2018	71,249						0	
18.	1b	Non-residential building - 2019		3,692,312	100,493				0	
19.	6	TS Fence		315,382					0	
20.	17	TS Parking		285,338					0	
		Totals	67,281,368	27,239,714	9,606,479	-20,123,088			1,000	

	1 Class number * See note 1 **200**	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 **224**	14 CCA rate % See note 11 **212**	15 Recapture of CCA See note 12 **213**	16 Terminal loss See note 13 **215**	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 **217**	18 UCC at the end of the year (column 9 **minus** column 17) **220**
1.	1	Buildin	1,684,941					4	0	0		1,684,941
2.	1	Distrib	13,719,623					4	0	0		13,719,623
3.	1b	Non-re	192,394					6	0	0		192,394
4.	1b	Non-re	56,430					6	0	0		56,430
5.	8	Other (	2,345,210		508,804	254,402	516,532	20	0	0		2,345,210
6.	10	Compu	2,185					30	0	0		2,185
7.	10	Fleet	979,857	1,000	91,120	45,560		30	0	0		979,857
8.	12	Compu	284,598		143,431		17,945	100	0	0		284,598
9.	14.1		232,847					5	0	0		232,847
10.	42	Comm	37,753				13,362	12	0	0		37,753
11.	45	Compu	743					45	0	0		743
12.	46	Scada	502,401				222,977	30	0	0		502,401
13.	47	Electric	34,340,737		8,682,526	4,341,263	5,949,533	8	0	0		34,340,737
14.	49	Electric	10,581,639					8	0	0		10,581,639
15.	50	Compu	202,774		79,105	39,553		55	0	0		202,774
16.	95	CIP	4,868,581					0	0	0		4,868,581
17.	1b	Non-re	71,249					6	0	0		71,249
18.	1b	Non-re	3,692,312		100,493	50,247	1,795,910	6	0	0		3,692,312
19.	6	TS Fen	315,382				157,691	10	0	0		315,382
20.	17	TS Parl	285,338				142,669	8	0	0		285,338
		Totals	74,396,994	1,000	9,605,479	4,731,025	8,816,619					74,396,994

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).

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Halton Hills Community Energy Corp		87307 4876 RC0001	1					
2.	Town of Halton Hills		10812 6897 RC0001	3					
3.	Southwestern Energy Inc .		87097 1181 RC0004	3					
4.	2008949 Ontario Ltd.		86488 3319 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11) Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee Future Benefits	922,997		940,114	922,997	940,114
2	AFDA	193,300		197,479	193,300	197,479
3						
4						
	Reserves from Part 2 of Schedule 13					
	Totals	1,116,297		1,137,593	1,116,297	1,137,593

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	453,351	248991			

Note 1

Enter the applicable code number:

1 – RPP
2 – RSUBP
3 – DPSP
4 – EPSP
5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule . . . . 453,351 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements . . . . . 163,423 B

Deductible amount for contributions to deferred income plans
(amount A **minus** amount B) (if negative, enter "0") . . . . 289,928 C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer (EPSP only)

T2 SCH 15 (13)

Canada

Attached Schedule with Total

Total of all amounts for deferred income plans deducted in your financial statements

Title Total of all amounts for deferred income plans deducted in your financial st

Description	Operator (Note)	Amount	
OMERS Deducted in P&L		163,423	00
	+		
	+		
	Total	163,423	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
3 – Non-CCPC that is a **third corporation**
4 – Associated non-CCPC
5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . **050** Year 2019

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? . . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	Halton Hills Hydro Inc.	86742 9623 RC0001	1	500,000			
2	Halton Hills Community Energy Corporation	87307 4876 RC0001	1	500,000			
3	Town of Halton Hills	10812 6897 RC0001	4				
4	Southwestern Energy Inc .	87097 1181 RC0004	1	500,000	100.0000	500,000	
5	2008949 Ontario Ltd.	86488 3319 RC0001	1	500,000			
				Total	100.0000	500,000	A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year;
  - to claim a deduction against Part I tax payable;
  - to claim a refund of credit earned during the current tax year;
  - to claim a carryforward of credit from previous tax years;
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1);
  - to request a credit carryback to one or more previous years;
  - if you are subject to a recapture of ITC; or
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**;
    - the **Ontario Innovation Tax Credit.**
- Unless otherwise stated, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule);
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, *Scientific Research and Experimental Development (SR&ED) Expenditures Claim*;
  - pre-production mining expenditures (Parts 18 to 20);
  - apprenticeship job creation expenditures (Parts 21 to 23); and
  - child care spaces expenditures (Parts 24 to 28).
    - Expenditures related to child care spaces incurred after March 21, 2017 no longer qualify for the investment tax credit. If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.
- File this schedule with the *T2 Corporation Income Tax Return*. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, *T2 Corporation – Income Tax Guide* and read Information Circular IC78-4, *Investment Tax Credit Rates*, and its related Special Release.
- For more information on SR&ED, see guide T4088, *Guide to Form T661 – Scientific Research and Experimental Development (SR&ED) Expenditures Claim*.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property when it files the income tax return for the year in which the property was acquired.
- An ITC deducted or refunded in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED and capital costs for a property qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Expenditures for pre-production mining, apprenticeship, or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, *Guide for the Partnership Information Return*.
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the *Oceans Act* (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and if acquired by the taxpayer **after** March 28, 2012, new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Detailed information (continued)

- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining exploration expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to determine the existence, location, extent, or quality of certain mineral resources in Canada, excluding expenses incurred in the exploration of an oil or gas well. See subparagraph (a)(i) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.
- For the purpose of this schedule, **pre-production mining development expenditures** are pre-production mining expenditures incurred **after** March 28, 2012, by the taxpayer to bring a new mineral resource mine in Canada into production, excluding expenses in the development of a bituminous sands deposit or an oil shale deposit. See subparagraph (a)(ii) of the definition of **pre-production mining expenditure** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada:	
– before 2014**	20 %
– after 2013**	15 %
If you are a taxable Canadian corporation that incurred pre-production mining expenditures before March 29, 2012	10 %
If you are a taxable Canadian corporation that incurred pre-production mining exploration expenditures:	
– after March 28, 2012, and before 2013	10 %
– in 2013	5 %
– after 2013	0 %
If you are a taxable Canadian corporation that incurred pre-production mining development expenditures***:	
– after March 28, 2012, and before 2014	10 %
– in 2014	7 %
– in 2015	4 %
– after 2015	0 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007 and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

** The reduction of the rate from 20% to 15% applies to 2014 and later tax years, except that, for 2014 tax years that start before 2014, the reduction is pro-rated based on the number of days in the tax year that are after 2013.

*** A transitional relief rate may apply to expenditures incurred after 2013 and before 2016, if the expenditure is incurred under a written agreement entered into before March 29, 2012, or the expenditure is incurred as part of the development of a new mine where the construction or the engineering and design work for the construction of the new mine started before March 29, 2012. See subparagraphs (k)(ii) and (iii) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** 1 Yes [ ] 2 No [X]

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of both corporations; and
- one of the corporations has at least one shareholder who is not common to both corporations.

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified **current** expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10. The 100% refund does not apply to qualified **capital** expenditures eligible for the 35% credit rate. They are only eligible for the **40%** refund*.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to:

a) one or more persons exempt from Part I tax under section 149;

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority; or

c) any combination of persons referred to in a) or b) above.

* Capital expenditures incurred after December 31, 2013, including lease payments for property that would have been a capital expenditure if purchased directly, are **not** qualified SR&ED expenditures and are **not** eligible for an ITC on SR&ED expenditures.

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** 1 Yes [ ] 2 No [X]

If **yes**, complete Schedule 125, *Income Statement Information*, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . **103** ______
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.
Include 80% of the contributions made **after** 2012. For contributions made **before** 2013, include all of the contributions.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**

Total of investments for qualified property and qualified resource property ______ A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year				B1
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	C1
ITC at the beginning of the tax year (amount B1 **minus** amount C1)			220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230			
ITC from repayment of assistance	235			
Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) ____ x 10 % =	240			
Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) ____ x 5 % =	242			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	D1
Total credit available (line 220 **plus** amount D1)				E1
Credit deducted from Part I tax	260			
Credit carried back to previous years (amount H1 in Part 6)			a	
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount a, and line 280)			▶	F1
Credit balance before refund (amount E1 **minus** amount F1)				G1
Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310)			320	

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	901	
2nd previous tax year				Credit to be applied	902	
3rd previous tax year				Credit to be applied	903	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5)	I1
Credit balance before refund (from amount G1 in Part 5)	J1
Refund (40 % of amount I1 or J1, whichever is less)	K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 557 on Form T661)				
Contributions to agricultural organizations for SR&ED				
Deduct:				
Government assistance, non-government assistance, or contract payment				
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Current expenditures (line 557 on Form T661 **plus** line 103 in Part 3)*			350	
Capital expenditures incurred **before** 2014 (from line 558 on Form T661)**			360	
Repayments made in the year (from line 560 on Form T661)			370	
Qualified SR&ED expenditures (total of lines 350 to 370)			380	

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

** Capital expenditures incurred after December 31, 2013, are not qualified SR&ED expenditures. Capital cost allowance can be claimed for depreciable property acquired for use in SR&ED after 2013.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation; and
- one of the corporations has at least one shareholder who is not common to both corporations.

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** 1 Yes [ ] 2 No [X]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, the amounts for associated corporations will be determined on Schedule 49.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied)		390	
Enter your taxable capital employed in Canada for the previous tax year minus $10 million. If this amount is nil or negative, enter "0". If this amount is over $40 million, enter $40 million	98,387,694	398	40,000,000

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation:		$ **8,000,000**	
Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more	500,000 x 10 =	5,000,000	A2
Excess ($8,000,000 **minus** amount A2 if the taxation year ends before March 19, 2019; otherwise, enter $3,000,000) (if negative, enter "0")*		3,000,000	B2
$ 40,000,000 **minus** line 398 in Part 9	b		
Amount b **divided** by $ 40,000,000			C2
Expenditure limit for the stand-alone corporation (amount B2 **multiplied** by amount C2)**			D2
For an associated corporation:			
If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49**		400	E2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount D2 or E2 ______ x Number of days in the tax year / 365 ; 365 = ______ F2

Your SR&ED expenditure limit for the year (enter amount D2, E2, or F2, whichever applies)	410	

* For taxation years ending after March 18, 2019, the taxable income is no longer taken into account in the SR&ED expenditure limit calculation. For more information, consult the Help (F1).

**Amount D2 or E2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Current expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* . . . . **420** ________ x 35 % = ________ G2

Line 350 **minus** line 410 (if negative, enter "0") . . . . **430** ________

Amount from line 430 ________ x (Number of days in the tax year before 2014 / Number of days in the tax year) ________ x 20% = ________ c

Amount from line 430** ________ x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = ________ d

Subtotal (amount c **plus** amount d) . . . . ________ ▶ ________ H2

Line 410 **minus** line 350 (if negative, enter "0") . . . . ________ e

Capital expenditures (line 360 in Part 8) or amount e, whichever is less* . . . . **440** ________ x 35 % = ________ I2

Line 360 **minus** amount e (if negative, enter "0") . . . . **450** ________

Amount from line 450 ________ x (Number of days in the tax year before 2014 / Number of days in the tax year) ________ x 20% = ________ f

Amount from line 450** ________ x (Number of days in the tax year after 2013 / Number of days in the tax year) 365 / 365 x 15 % = ________ g

Subtotal (amount f **plus** amount g) . . . . ________ ▶ ________ J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . . ________

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC*** . . . . **460** ________ x 35 % = ________ h

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred before 2015 . . . . **480** ________ x 20 % = ________ i

Repayment of assistance made after September 16, 2016 that reduced a qualifying expenditure incurred after 2014 . . . . . **490** ________ x 15 % = ________ j

Subtotal (**add** amounts h to j) ________ ▶ ________ K2

Current-year SR&ED ITC (total of amounts G2 to K2; enter on line 540 in Part 12) . . . . ________ L2

* For corporations that are not CCPCs, enter "0" for amounts G2 and I2.

** For tax years that end after 2013, the general SR&ED ITC rate is reduced from 20% to 15%, except that, for 2014 tax years that start **before** 2014, the reduction is pro-rated based on the number of days in the tax year that are **after** 2013. For tax years that have a start date **after** 2013, **multiply** the amount by 15%.

*** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year				M2
Credit deemed as a remittance of co-op corporations	510			
Credit expired	515			
Subtotal (line 510 **plus** line 515)				N2
ITC at the beginning of the tax year (amount M2 **minus** amount N2)			520	
Credit transferred on an amalgamation or the wind-up of a subsidiary	530			
Total current-year credit (from amount L2 in Part 11)	540			
Credit allocated from a partnership	550			
Subtotal (total of lines 530 to 550)				O2
Total credit available (line 520 **plus** amount O2)				P2
Credit deducted from Part I tax	560			
Credit carried back to previous years (amount S2 in Part 13)		k		
Credit transferred to offset Part VII tax liability	580			
Subtotal (total of line 560, amount k, and line 580)				Q2
Credit balance before refund (amount P2 **minus** amount Q2)				R2
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610	
ITC closing balance on SR&ED (amount R2 **minus** line 610)			620	

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	911	
2nd previous tax year				Credit to be applied	912	
3rd previous tax year				Credit to be applied	913	
				Total of lines 911 to 913 Enter at amount k in Part 12.		S2

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)?	**650**	1 Yes [ ] 2 No [X]	
Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11)			I
Refundable credits (amount I or amount R2 in Part 12, whichever is less)*			T2
Amount T2 or amount G2 in Part 11, whichever is less			U2
Net amount (amount T2 **minus** amount U2; if negative, enter "0")			V2
Amount V2 **multiplied** by 40 %			W2
Amount U2			X2
Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12)			Y2

Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12)		Z2
Amount Z2 or amount G2 in Part 11, whichever is less		AA2
Net amount (amount Z2 **minus** amount AA2; if negative, enter "0")		BB2
Amount BB2 or amount I2 in Part 11, whichever is less		CC2
Amount CC2 **multiplied** by 40 %		DD2
Amount AA2		EE2
Refund of ITC (amount DD2 **plus** amount EE2)		FF2

Enter FF2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008;
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661;
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures; and
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to.

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above **700**	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) **710**	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount C3 in Part 17. ______ A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil on line B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement **720**	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition **730**	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) **740**	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred **750**	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount D3 in Part 17. ______ B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ____________
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 29.		F3

Pre-Production Mining

Part 18 – Pre-production mining expenditures

Exploration information

A mineral resource that qualifies for the credit means a mineral deposit from which the principal mineral to be extracted is diamond, a base or precious metal deposit, or a mineral deposit from which the principal mineral to be extracted is an industrial mineral that, when refined, results in a base or precious metal.

In column 800, list all minerals for which pre-production mining expenditures have taken place in the tax year.

For each of the minerals reported in column 800, identify each project (in column 805), mineral title (in column 806), and mining division (in column 807) where title is registered. If there is no mineral title, identify only the project and mining division.

List of minerals 800	Project name 805

Mineral title 806	Mining division 807

Pre-production mining expenditures*

Exploration:

Pre-production mining expenditures that you incurred in the tax year (**before** January 1, 2014) for the purpose of determining the existence, location, extent, or quality of a mineral resource in Canada:

Prospecting . . . . . 810 ______

Geological, geophysical, or geochemical surveys . . . . . 811 ______

Drilling by rotary, diamond, percussion, or other methods . . . . . 812 ______

Trenching, digging test pits, and preliminary sampling . . . . . 813 ______

Development:

Pre-production mining expenditures incurred in the tax year for bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities and incurred before the new mine comes into production in such quantities:

Clearing, removing overburden, and stripping . . . . . 820 ______

Sinking a mine shaft, constructing an adit, or other underground entry . . . . . 821 ______

Other pre-production mining expenditures incurred in the tax year:

Description 825	Amount 826

Total of column 826 ______ ► ______ A4

Total pre-production mining expenditures (total of lines 810 to 821 and amount A4) . . . . . 830 ______

Total of all assistance (grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to on line 830 above . . . . . 832 ______

Excess (line 830 **minus** line 832) (if negative, enter "0") . . . . . ______ B4

Repayments of government and non-government assistance . . . . . 835 ______

Pre-production mining expenditures (amount B4 **plus** line 835) . . . . . ______ C4

* A pre-production mining expenditure is defined under subsection 127(9).

Part 19 – Current-year credit and account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				D4
Credit deemed as a remittance of co-op corporations	841			
Credit expired	845			
Subtotal (line 841 **plus** line 845)			►	E4
ITC at the beginning of the tax year (amount D4 **minus** amount E4)			850	
Credit transferred on an amalgamation or the wind-up of a subsidiary			860	
Pre-production mining expenditures* incurred before January 1, 2013 (applicable part from amount C4 in Part 18)	870	x 10 % =	m	
Pre-production mining exploration expenditures** incurred in 2013 (applicable part from amount C4 in Part 18)	872	x 5 % =	n	
Pre-production mining development expenditures incurred in 2014 (applicable part from amount C4 in Part 18)	874	x 7 % =	o	
Pre-production mining development expenditures incurred in 2015 (applicable part from amount C4 in Part 18)	876	x 4 % =	p	
Current year credit (total of amounts m to p)	880		►	F4
Total credit available (total of lines 850, 860, and amount F4)				G4
Credit deducted from Part I tax	885			
Credit carried back to previous years (amount I4 in Part 20)			q	
Subtotal (line 885 **plus** amount q)			►	H4
ITC closing balance from pre-production mining expenditures (amount G4 **minus** amount H4)			890	

* Also include pre-production mining development expenditures incurred before 2014 and pre-production mining development expenditures incurred after 2013 and before 2016 that are eligible for transitional relief.

** Also include pre-production mining development expenditures incurred in 2015 if the expense is described in subparagraph (a)(ii) of the definition **pre-production mining expenditure** in subsection 127(9) of the Act because of paragraph (g.4) of the definition **Canadian exploration expense** in subsection 66.1(6) of the Act.

Part 20 – Request for carryback of credit from pre-production mining expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	921	
2nd previous tax year				Credit to be applied	922	
3rd previous tax year				Credit to be applied	923	
				Total of lines 921 to 923 Enter at amount q in Part 19.		I4

Apprenticeship Job Creation

Part 21 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) 611 1 Yes ☐ 2 No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
1.	SYS025056	Powerline Technician	29,833	2,983	2,000

A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
2. James Johnston	Powerline Technician	45,208	4,521	2,000

Total current-year credit (total of column E) Enter on line 640 in Part 22. 4,000 A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 22 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year			12,382	B5
Credit deemed as a remittance of co-op corporations	612			
Credit expired after 20 tax years	615			
Subtotal (line 612 **plus** line 615)				C5
ITC at the beginning of the tax year (amount B5 **minus** amount C5)	625		12,382	
Credit transferred on an amalgamation or the wind-up of a subsidiary	630			
ITC from repayment of assistance	635			
Total current-year credit (amount A5 in Part 21)	640	4,000		
Credit allocated from a partnership	655			
Subtotal (total of lines 630 to 655)		4,000	4,000	D5
Total credit available (line 625 **plus** amount D5)			16,382	E5
Credit deducted from Part I tax	660			
Credit carried back to previous years (amount G5 in Part 23)		r		
Subtotal (line 660 **plus** amount r)				F5
ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5)	690		16,382	

Part 23 – Request for carryback of credit from apprenticeship job creation expenditures

	Year	Month	Day			
1st previous tax year				Credit to be applied	931	
2nd previous tax year				Credit to be applied	932	
3rd previous tax year				Credit to be applied	933	

Total of lines 931 to 933 Enter at amount r in Part 22. G5

Child Care Spaces

Part 24 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007 and before March 22, 2017* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property); and
- the specified child care start-up expenditures.

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695) **715** ______

Specified child care start-up expenditures from the current tax year . . . . . **705** ______

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . . . ______ A6

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6 . . . . . **725** ______

Excess (amount A6 **minus** line 725) (if negative, enter "0") . . . . . ______ B6

Repayments by the corporation of government and non-government assistance . . . . . **735** ______

Total eligible expenditures for child care spaces (amount B6 **plus** line 735) . . . . . **745** ______

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 25 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 24) . . . . . ______ x 25 % = ______ C6

Number of child care spaces . . . . . **755** ______ x $ 10,000 = ______ D6

ITC from child care spaces expenditures (amount C6 or D6, whichever is less) . . . . . ______ E6

Part 26 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 25)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			▶	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 27)			s	
Subtotal (line 785 **plus** amount s)			▶	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 27 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2018-12-31	Credit to be applied	941	
2nd previous tax year	2017-12-31	Credit to be applied	942	
3rd previous tax year	2016-12-31	Credit to be applied	943	

Total of lines 941 to 943 — K6
Enter at amount s in Part 26.

Recapture – Child Care Spaces

Part 28 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be recovered against the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property:

- the new child care space is no longer available; or
- property that was an eligible expenditure for the child care space is:
  - disposed of or leased to a lessee; or
  - converted to another use.

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) . . . . **792** ________

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . . **795** ________

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property . . . . **797** ________

Amount from line 795 or line 797, whichever is less . . . . ________ A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 26. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ________

Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) . . . . ________ B7
Enter at amount B8 in Part 29.

Summary of Investment Tax Credits

Part 29 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17) . . . . ________ A8

Recaptured child care spaces ITC (amount B7 in Part 28) . . . . ________ B8

Total recapture of investment tax credit (amount A8 **plus** amount B8) . . . . ________ C8
Enter on line 602 of the T2 return.

Part 30 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5) . . . . ________ D8

ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12) . . . . ________ E8

ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 19) . . . . ________ F8

ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 22) . . . . ________ G8

ITC from child care space expenditures deducted from Part I tax (line 785 in Part 26) . . . . ________ H8

Total ITC deducted from Part I tax (total of amounts D8 to H8) . . . . ________ I8
Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
4,000				4,000

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2018-12-31	2,716			2,716
2017-12-31	2,000			2,000
2016-12-31	2,000			2,000
2015-12-31	1,666			1,666
2014-12-31	2,000			2,000
2013-12-31	2,000			2,000
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				*
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				
2000-12-31				
1999-12-31				*
Total	12,382			12,382

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	10,767,215		
Capital stock (or members' contributions if incorporated without share capital)	103	16,161,663		
Retained earnings	104	15,441,164		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	68,760,132		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110	273,579		
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		111,403,753	▶ 111,403,753	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
- b) those amounts were computed without reference to amounts owing by the partnership
  - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			111,403,753	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121	5,192,078		
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		5,192,078 ►	5,192,078	B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		106,211,675	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	3,210,260
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	3,210,260

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		106,211,675	C
Deduct: Investment allowance for the year (line 490)		3,210,260	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	103,001,415	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 103,001,415 x (Taxable income earned in Canada **610** 1,000 / Taxable income 1,000) = **Taxable capital employed in Canada** **690** 103,001,415

Notes: 1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **701** ____

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ____

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ____

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ____

Total deductions (**add** lines 711, 712, and 713) ____ ► ____ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ____

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount	
Current portion of bank loan		961,904	00
Customer Deposits Current	+	669,580	00
Long term portion of bank loan	+	46,614,471	00
Note Payable	+	13,000,000	00
Bank overdraft	+	7,514,177	00
	+		
	+		
	Total	68,760,132	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial ir

Description	Operator (Note)	Amount	
Due from affiliated companies		2,602,450	00
Prepaid expenses	+	607,810	00
	+		
	Total	3,210,260	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in calculating income for th

Description	Operator (Note)	Amount	
Deferred income taxes		9,629,622	00
Reserves	+	1,137,593	00
	+		
	Total	10,767,215	00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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) 100	Business number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Halton Hills Community Energy	87307 4876 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue Agency / Agence du revenu du Canada

Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

On: 2019-12-31

- 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	2,164,291
Taxable income for the year (DICs enter "0") *	110			
Amount on line 400, 405, 410, and 427 or 428** of the T2 return, whichever is the least *	130			
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)		A		
Income taxable at the general corporate rate (line 110 **minus** amount A) (if negative enter "0")	150			
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))			190	
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)				2,164,291 C
Eligible dividends paid in the previous tax year	300			
Excessive eligible dividend designations made in the previous tax year	310			
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 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	2,164,291
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) Enter this amount on line 160 of Schedule 55.			590	2,164,291

* 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 2018-12-31

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 2017-12-31

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 2016-12-31

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.

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

	Line	Amount		
Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3		820,737		
Total taxable dividends paid in the tax year	100	820,737		
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		2,164,291	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

	Line	Amount		
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**.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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	136,197,945
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	159,159,832
Total assets (total of lines 112 to 116)		295,357,777
Total revenue of the corporation for the tax year **	142	74,632,997
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	86,314,793
Total revenue (total of lines 142 to 146)		160,947,790

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

	Line		Line	
Net income/loss per financial statements *			210	-361,681
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220			
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				A
Deduct (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320	253,790		
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
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 Tax recovery included in net movements in regulatory	382	355,622		
383	384			
385	386			
387	388			
389	390			
Subtotal		609,412		609,412 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	-971,093

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 GIFI (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) . . . . ______

Minus: Adjustment for an acquisition of control * . . . . . . **518** ______

Adjusted CMT loss available . . . . ______ ▶ ______ 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 ______ / Number of days in the tax year 365 x 4 % = ______ 1

Amount from line 520 ______ x Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365 x 2.7 % = ______ 2

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) . . . . ______

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 *	463,428 G			
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)	463,428 ►	620	463,428	
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)			463,428	H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				I
Subtotal (amount H **minus** amount I)			463,428	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	463,428	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)			463,428	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		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")		►		N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				
Deduct:				
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)		11,000		
Subtotal (if negative, enter "0")		►		O
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 *			Q		
Deduct:					
CMT loss expired *	700				
CMT loss carryforward at the beginning of the tax year * (see note below)			►	720	
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)					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)					
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	971,093
CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760)				770	971,093 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.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return.*

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	Halton Hills Community Energy Corporation	87307 4876 RC0001	19,876,207	1,856,671
2	Town of Halton Hills	10812 6897 RC0001	134,255,655	79,750,137
3	Southwestern Energy Inc .	87097 1181 RC0004	4,345,843	3,415,731
4	2008949 Ontario Ltd.	86488 3319 RC0001	682,127	1,292,254
		Total	450 159,159,832	550 86,314,793

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **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 associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated 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.

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SCHEDULE 546

CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- 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)
Halton Hills Hydro Inc.

Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	**110** Date of incorporation or amalgamation, whichever is the most recent (Year Month Day)	**120** Ontario Corporation No.
Ontario	1999-04-13	1349889

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

200 Care of (if applicable)

210 Street number	**220** Street name/Rural route/Lot and Concession number	**230** Suite number
43	Alice St	

240 Additional address information if applicable (line 220 must be completed first)

250 Municipality (e.g., city, town)	**260** Province/state	**270** Country	**280** Postal/zip code
Acton	ON	CA	L7J 2A9

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 2 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 Smelsky (Last name) **451** David (First name)

454 ______________________, (Middle name(s))

460 2 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 ☐ 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 ☐ 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.

CRA internal form identifier 547

Part 7 – Director/Officer information

- **Director:** If the individual named in this part is a director (or must be reported ceased as a director), complete lines 700 to 797.
- **Officer:** If the individual named in this part is one of the corporation's five most senior officers (or must be reported ceased in an officer position), complete lines 700 to 790 and the applicable lines from 801 to 912.
- **Director and officer:** If the individual named in this part is a director and one of the corporation's five most senior officers (or must be reported ceased in these position(s)), complete lines 700 to 797 and the applicable lines from 801 to 912.
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700 Last name	**705** First name	**710** Middle name(s)

720 Street number	**730** Street name/Rural route/Lot and Concession number	**740** Suite number

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	**770** Province/state	**780** Country	**790** Postal/zip code
Georgetown	ON	CA	

Director

Is this director a resident Canadian? . . . **795** 1 Yes [X] 2 No [ ]

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2018-09-28	**797**	2019-06-30

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	**801**		**802**	
Secretary	**806**		**807**	
Treasurer	**811**		**812**	
General Manager	**816**		**817**	
Chair	**821**	2018-09-28	**822**	2018-09-28
Chairperson	**826**		**827**	
Chairman	**831**		**832**	
Chairwoman	**836**		**837**	
Vice-Chair	**841**		**842**	
Vice-President	**846**		**847**	
Assistant Secretary	**851**		**852**	
Assistant Treasurer	**856**		**857**	
Chief Manager	**861**		**862**	
Executive Director	**866**		**867**	
Managing Director	**871**		**872**	
Chief Executive Officer	**876**		**877**	
Chief Financial Officer	**881**		**882**	
Chief Information Officer	**886**		**887**	
Chief Operating Officer	**891**		**892**	
Chief Administrative Officer	**896**		**897**	
Comptroller	**901**		**902**	
Authorized Signing Officer	**906**		**907**	
Other (untitled)	**911**		**912**	

Once you have completed this page, complete the certification in Part 4 of this schedule.

CRA internal form identifier 547

Part 7 – Director/Officer information

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700 Last name	705 First name	710 Middle name(s)

720 Street number	730 Street name/Rural route/Lot and Concession number	740 Suite number

750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Glen Williams	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes X **2** No ☐

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2019-08-01	797	

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

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720 Street number	730 Street name/Rural route/Lot and Concession number	740 Suite number

750

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Acton	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes [X] **2** No [ ]

(applies to directors of corporations with share capital only)

796 Date elected/appointed Year Month Day: 2019-08-01

797 Date ceased, if applicable Year Month Day:

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

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750 Additional address information if applicable (line 730 must be completed first)		

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Georgetown	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes X **2** No ☐

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2019-08-01	797	

Officer information

Position	Line	Date appointed Year Month Day	Line	Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
Chief Manager	861		862	
Executive Director	866		867	
Managing Director	871		872	
Chief Executive Officer	876		877	
Chief Financial Officer	881		882	
Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
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750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Georgetown	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes X **2** No ☐

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796	2014-09-30	797	2019-12-31

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821		822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
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Chief Information Officer	886		887	
Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

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750 Additional address information if applicable (line 730 must be completed first)

760 Municipality (e.g., city, town)	770 Province/state	780 Country	790 Postal/zip code
Georgetown	ON	CA	

Director

Is this director a resident Canadian? . . . 795 **1** Yes ☐ **2** No ☐

(applies to directors of corporations with share capital only)

	Date elected/appointed Year Month Day		Date ceased, if applicable Year Month Day
796		797	

Officer information

		Date appointed Year Month Day		Date ceased, if applicable Year Month Day
President	801		802	
Secretary	806		807	
Treasurer	811		812	
General Manager	816		817	
Chair	821	2019-07-01	822	
Chairperson	826		827	
Chairman	831		832	
Chairwoman	836		837	
Vice-Chair	841		842	
Vice-President	846		847	
Assistant Secretary	851		852	
Assistant Treasurer	856		857	
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Chief Operating Officer	891		892	
Chief Administrative Officer	896		897	
Comptroller	901		902	
Authorized Signing Officer	906		907	
Other (untitled)	911		912	

Once you have completed this page, complete the certification in Part 4 of this schedule.

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information: David Smelsky	**120** Telephone number including area code: (519) 853-3700

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ____________

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 4,079,271

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} = 15\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \quad \textbf{minus} \quad \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} = 30\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \quad \textbf{minus} \quad \$\ 400{,}000}{\$\ 200{,}000} \right) \right]$$

Eligible percentage for determining the eligible amount . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	B Name of qualifying co-operative education program **405**
1.	Mohawk College	Computer Systems Technology - Network Engineering
2.	Constoga College	Powerline Technician Program
3.		

	C Name of student **410**	D Start date of WP (see note 1 below) **430**	E End date of WP (see note 2 below) **435**
1.		2019-05-06	2019-08-30
2.		2019-05-06	2019-08-30
3.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	13,240	25.000 %		17
2.		10.000 %	13,527	25.000 %		17
3.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	3,310	3,000	3,000		3,000
2.	3,382	3,000	3,000		3,000
3.					

Ontario co-operative education tax credit (total of amounts in column K) **500** 6,000 **L**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ________ x percentage on line 170 in Part 1 ________ % = ... ________ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009, and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received. Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

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Schedule 552

Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
Halton Hills Hydro Inc.	86742 9623 RC0001	2019-12-31

- Use this schedule to claim an Ontario apprenticeship training tax credit (ATTC) under section 89 of the *Taxation Act, 2007* (Ontario).
- The ATTC is a refundable tax credit that is equal to a specified percentage (25% to 45%) of the eligible expenditures incurred by a corporation for a qualifying apprenticeship. For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015, the maximum credit for each qualifying apprenticeship is $10,000 per year to a maximum credit of $40,000 over the first 48-month period of the qualifying apprenticeship. For an apprenticeship program that began after April 23, 2015, the maximum credit for each qualifying apprenticeship is $5,000 per year to a maximum credit of $15,000 over the first 36-month period of the qualifying apprenticeship.
- Eligible expenditures are salaries and wages (including taxable benefits) paid to an apprentice in a qualifying apprenticeship or fees paid to an employment agency for the provision of services performed by the apprentice in a qualifying apprenticeship. These expenditures must be:
  - paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario;
  - for services provided by the apprentice during the first 48 months of the apprenticeship program, if an apprenticeship program began before April 24, 2015; and
  - for services provided by the apprentice during the first 36 months of the apprenticeship program, if an apprenticeship program began after April 23, 2015.
- An expenditure is not eligible for an ATTC if:
  - the same expenditure was used, or will be used, to claim a co-operative education tax credit; or
  - it is more than an amount that would be paid to an arm's length apprentice.
- An apprenticeship must meet the following conditions to be a qualifying apprenticeship:
  - the apprenticeship is in a qualifying skilled trade approved by the Ministry of Training, Colleges and Universities (Ontario) or a person designated by him or her; and
  - the corporation and the apprentice must be participating in an apprenticeship program in which the training agreement has been registered under the *Ontario College of Trades and Apprenticeship Act, 2009, or* the *Apprenticeship and Certification Act, 1998,* or in which the contract of apprenticeship has been registered under the *Trades Qualification and Apprenticeship Act*.
- Do not submit the training agreement or contract of apprenticeship with your *T2 Corporation Income Tax Return*. Keep a copy of the training agreement or contract of apprenticeship to support your claim.
- File this schedule with your *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number
David Smelsky	(519) 853-3700

Is the claim filed for an ATTC earned through a partnership? * . . . . . **150** 1 Yes [ ] 2 No [X]

If you answered **yes** to the question at line 150, what is the name of the partnership? . **160** ______

Enter the percentage of the partnership's ATTC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 552 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 552 to claim the partner's share of the partnership's ATTC. The total of the partners' allocated amounts can never exceed the amount of the partnership's ATTC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes [X] 2 No [ ]
2. Was the corporation exempt from tax under Part III of the *Taxation Act, 2007* (Ontario)? . . . . . **210** 1 Yes [ ] 2 No [X]

If you answered **no** to question 1 or **yes** to question 2, then you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 4,079,271

For eligible expenditures incurred after March 26, 2009 for an apprenticeship program that began before April 24, 2015:

- If line 300 is $400,000 or less, enter 45% on line 312.
- If line 300 is $600,000 or more, enter 35% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Specified percentage} = 45\% - \left[10\% \times \frac{(\text{amount on line 300} \textbf{ minus } 400{,}000)}{200{,}000} \right]$$

Specified percentage . . . . **312** 35.000 %

For eligible expenditures incurred for an apprenticeship program that began after April 23, 2015:

- If line 300 is $400,000 or less, enter 30% on line 314.
- If line 300 is $600,000 or more, enter 25% on line 314.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 314 using the following formula:

$$\text{Specified percentage} = 30\% - \left[5\% \times \frac{(\text{amount on line 300} \textbf{ minus } 400{,}000)}{200{,}000} \right]$$

Specified percentage . . . . **314** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 89(6) of the *Taxation Act, 2007* (Ontario) applies, enter salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Ontario apprenticeship training tax credit

Complete a **separate entry** for each apprentice for each qualifying apprenticeship with the corporation. When claiming an ATTC for repayment of government assistance, complete a **separate entry** for each repayment, and complete columns A to G and M and N with the details for the employment period in the previous tax year in which the government assistance was received.

	A Trade code **400**	B Apprenticeship program/trade name **405**	C Name of apprentice **410**
1.	434a	Powerline Technician	
2.			

	D Original contract or training agreement number **420**	E Original registration date of apprenticeship contract or training agreement (YYYYMMDD) (see note 1) **425**	F Start date of employment as an apprentice in the tax year (YYYYMMDD) (see note 2) **430**	G End date of employment as an apprentice in the tax year (YYYYMMDD) (see note 3) **435**
1.	SYS025056	2017-06-05	2019-01-01	2019-12-31
2.				

Note 1: Enter the original registration date of the apprenticeship contract or training agreement in all cases, even when multiple employers employed the apprentice.

Note 2: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the first day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the start date of employment as an apprentice for the tax year in which the government assistance was received.

Note 3: When there are multiple employment periods as an apprentice in the tax year with the corporation, enter the date that is the last day of employment as an apprentice in the tax year with the corporation. When claiming an ATTC for repayment of government assistance, enter the end date of employment as an apprentice for the tax year in which the government assistance was received.

Part 4 – Ontario apprenticeship training tax credit (continued)

	H1 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began before April 24, 2015 (see note 1) 442	H2 Number of days in the tax year employed as an apprentice in a qualifying apprenticeship program that began after April 23, 2015 (see note 1) 443	I Maximum credit amount for the tax year (see note 2) 445
1.		365	5,000
2.			

Note 1: When there are multiple employment periods as an apprentice in the tax year with the corporation, do not include days in which the individual was not employed as an apprentice.
For H1: The days employed as an apprentice must be within 48 months of the registration date provided in column E.
For H2: The days employed as an apprentice must be within 36 months of the registration date provided in column E.

Note 2: Maximum credit = ($10,000 × H1/365*) or ($5,000 × H2/365*), whichever applies.
* 366 days, if the tax year includes February 29

	J1 Eligible expenditures incurred after March 26, 2009 for a qualifying apprenticeship program that began before April 24, 2015 (see note 3) 452	J2 Eligible expenditures incurred for a qualifying apprenticeship program that began after April 23, 2015 (see note 3) 453	K Eligible expenditures **multiplied** by specified percentage (see note 4) 460
1.		87,114	21,779
2.			

Note 3: Reduce eligible expenditures by all government assistance, as defined under subsection 89(19) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, in respect of the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.
For J1: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 48 months of the apprenticeship program, and not relating to services performed before the apprenticeship program began or after it ended.
For J2: Eligible expenditures must be for services provided by the apprentice to the taxpayer during the first 36 months of the apprenticeship program, and not relating to services performed before the apprenticeship began or after it ended.

Note 4: Calculate the amount in column K as follows:
Column K = (J1 × line 312) or (J2 × line 314), whichever applies.

	L ATTC on eligible expenditures (lesser of columns I and K) 470	M ATTC on repayment of government assistance (see note 5) 480	N ATTC for each apprentice (column L or M, whichever applies) 490
1.	5,000		5,000
2.			

Ontario apprenticeship training tax credit (total of amounts in column N) 500 5,000 O

Or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount O:

Amount O ______ x percentage on line 170 in Part 1 ______ % = ... ______ P

Enter amount O or P, whichever applies, on line 454 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 552, **add** the amounts from line O or P, whichever applies, on all the schedules, and enter the total amount on line 454 of Schedule 5.

Note 5: Include the amount of government assistance repaid in the tax year multiplied by the specified percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the ATTC in that tax year. Complete a **separate entry** for each repayment of government assistance.

See the privacy notice on your return.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . Halton Hills Hydro Inc.

Taxation Year . . . . 2019-01-01 to 2019-12-31

Jurisdiction . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 4

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . . -55,739

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		906,432
Taxable income		
Donations		325
Calculation of income from an active business carried on in Canada		906,432
Dividends paid		820,737
Dividends paid – Regular	820,737	
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		2,164,291
Balance of the general rate income pool at the end of the year		2,164,291
Part I tax (base amount)		

Credits against part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I		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*		Provincial or territorial tax		Instalments	44,739
				Other*	11,000
				Balance due/refund (–)	-55,739

* The amounts displayed on lines "Other" are all listed in the Help. Press F1 to consult the context-sensitive help.

Summary of federal carryforward/carryback information

Carryforward balances

Investment tax credits	16,382
Non-capital losses	3,290,582
Capital losses/L.P.P.	21,069
Financial statement reserve	1,137,593

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	906,432		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***			
Instalments and refundable credits	11,000		
Balance due/Refund (-)	-11,000		
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 of provincial carryforward amounts

Other carryforward amounts

Ontario

Transitional tax credit – Schedule 506	2,226
Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	463,428
Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510	971,093

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
Halton Hills Hydro Inc.	98,387,694	98,387,694	103,001,415	103,001,415
Halton Hills Community Energy Corporation	1,062,821	1,062,821	1,739,095	1,739,095
Town of Halton Hills				
Southwestern Energy Inc .				
2008949 Ontario Ltd.	73,719	73,719	56,740	56,740
Total	99,524,234	99,524,234	104,797,250	104,797,250

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

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Net income	906,432	996,669	-1,923,526	-1,799,911	-1,488,120
Taxable income					
Active business income	906,432	996,669			
Dividends paid	820,737	903,714	1,203,965	1,297,000	1,297,000
Dividends paid – Regular	820,737	903,714	1,203,965	1,297,000	1,297,000
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	2,164,291	2,164,291	2,164,291	2,164,291	2,164,291
GRIP – end of the year	2,164,291	2,164,291	2,164,291	2,164,291	2,164,291
Donations	325		2,000		
Balance due/refund (-)	-55,739	2,529	12,482	-25,527	-7,877
Line 996 – Amended tax return	☐	☐	☐	X	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
Taxable income before 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 loss carried back to prior years	N/A	N/A			
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	**2019-12-31**	**2018-12-31**	**2017-12-31**	**2016-12-31**	**2015-12-31**
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	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
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	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
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	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Part I					
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against part I tax

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit					
Abatement/other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	44,739	42,210	29,728	51,743	52,228
Other*	11,000				

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2019-12-31	2018-12-31	2017-12-31	2016-12-31	2015-12-31
Net income	906,432	996,669	-1,923,526	-1,799,911	-1,488,120
Taxable income					
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*		53,177	52,958	47,348	56,678
Instalments and refundable credits	11,000	8,438	10,748	21,132	12,327
Balance due/refund**	-11,000	44,739	42,210	26,216	44,351

* 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.