EXHIBIT 4 – OPERATING EXPENSES

2021 Cost of Service

Wellington North Power Inc.
EB-2020-0061

TABLE OF CONTENT

Table of Figures

4.1 OVERVIEW

4.1.1 OVERVIEW[1]

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

While preparing its' 2020 Bridge Year and 2021 Test Year budgets, WNP took into consideration the bill impacts associated with these OM&A costs. The LDC prepared several versions of the budget, the bill impacts were analyzed and the OM&A budget modified to minimize bill impacts to the customers as much as possible. WNP's Board of Directors has been involved in the determining of the final 2021 proposed budget and its customer engagement activities.

WNP confirms that in its' 2020 Bridge Year and 2021 Test Year budgets, the utility has not made any assumptions or inclusions for expenses related to COVID-19, for instance the purchase of additional hand-sanitizers and sterilizing supplies. For expenses directly related to COVID-19, WNP is recording these costs in the regulatory Account 1509 – Impacts Arising from the COVID-19 Emergency, Sub-account Other Costs as directed by the OEB's letter[2] of March 25, 2020, to be disposed of at a later date, subject to OEB-approval. Therefore, and to be abundantly clear, WNP's 2020 Bridge Year and 2021 Test Year budgets are clean of COVID impacts.

WNP's 2021 Test Year Distribution Expenses are projected to be $2,423,523, equivalent to an

---

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

[2] Accounting Order for the Establishment of Deferral Accounts to Record Impacts Arising from the COVID-19 Emergency, OEB letter, March 25,2020

increase of $329,835 or 15.7% above LDC's 2016 Cost of Service. Of this increase, $195,591 relates to OM&A and $134,424 is for depreciation as illustrated in table 1 below:

Table 1 - Total Distribution Expenses 2016 Board Approved vs Test Year 2021

	2016 Board Approved	2021 Test Year	Difference
Operations	$420,000	$443,000	$23,000
Maintenance	234,500	$252,000	$17,500
Billing and Collecting	$361,000	$415,500	$54,500
Community Relations	$7,000	$7,500	$500
Administrative and General	$700,409	$800,500	$100,091
Total	**$1,722,909**	**$1,918,500**	**$195,591**
%Change (year over year)		**11.0%**	
Compound Annual Growth Rate *(2016 BA to 2021 Test Year)*			2.2%
Depreciation	$365,779	$500,023	$134,244
Property Taxes	$14,000	$14,000	$0
Total Distribution Expenses	**$2,102,688**	**$2,432,523**	
%Change (year over year)		**15.7%**	

WNP's 2021 Test Year OM&A operating costs are projected to be $1,918,500, which represents an increase of $195,591 from its' 2016 Cost of Service or equivalent to an annual compound growth rate of 2.2%. The table below illustrates the 2016 Board Approved, historical actuals and projections for 2020 Budget Year and 2021 Test Year for the OM&A major functions:

Table 2 - Total OM&A

	Board Approved	2016	2017	2018	2019	2020 Bridge	2021 Test
Operations	$420,000	$442,995	$444,043	$394,084	$407,117	$430,429	$443,000
Maintenance	$234,500	$218,122	$222,539	$243,715	$214,209	$253,402	$252,000
Bill & Collect	$361,000	$380,741	$347,237	$351,745	$402,260	$417,717	$415,500
Community Relations	$7,000	$8,794	$6,835	$9,833	$7,370	$5,458	$7,500
Administrative	$700,409	$693,403	$697,404	$713,859	$788,126	$790,494	$800,500
Total	**$1,722,909**	**$1,744,054**	**$1,718,058**	**$1,713,234**	**$1,819,082**	**$1,897,500**	**$1,918,500**
%Change (year over year)		1.2%	-1.5%	-.3%	6.2%	4.3%	1.1%
	Annual compound growth rate of 2.2% from 2016 BA to 2021 Test Year						

WNP's OM&A costs have remained fairly stable until 2019. The increase can be attributed to two major drivers that impacted the utility's overall costs. The first driver was the change in cyber security requirements which led to WNP to use our contacts at CHEC, to identify requirements and suitable options to fulfill the requisite IT functions. As a result WNP retained the part time services of an independent IT Consultant to address cybersecurity, related internet/network traffic monitoring and IT infrastructure.

The second driver is related to implementation of a SLA with a 3rd-party IT provider ensuring that all server patching, antivirus scans and backups were to be completed on a regular basis.

WNP is of the opinion that there is a minimum cost required to operate any utility and that its' proposed OM&A reflects this minimum required costs. That said, WNP will continue to seek savings and efficiencies to minimize costs increases for its customers going forward. The proposed OM&A expenses for 2020-2021 are in line with what WNP expects regular yearly OM&A costs will be going forward.

Specifics regarding year-over-year variances are presented in Section 4.2.2 of this Exhibit with a comparison to an inflationary increase is presented at Section 4.3.2.

Inflation Rate and Assumptions

The CPI rate is a measure that can fluctuate significantly from quarter to quarter. Using the most recent rate does not always reflect the historical trends nor predicted trends; that being said WNP's spend is in-line with the CPI increases.

Table 3 – OEB Appendix 2-JA – Summary of Recoverable OM&A Expenses[3]

Reporting Basis	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**
	Board Approved	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Operations	$420,000	$442,995	$444,043	$394,084	$407,117	$430,429	$443,000
Maintenance	$234,500	$218,122	$222,539	$243,715	$214,209	$253,402	$252,000
SubTotal	**$654,500**	**$661,117**	**$666,582**	**$637,798**	**$621,325**	**$683,831**	**$695,000**
%Change (year over year)		1.0%	0.8%	-4.3%	-2.6%	7.2%	11.9%
%Change (Test Year vs Last Rebasing Year - Actual)						4.5%	5.1%
Billing and Collecting	$361,000	$380,741	$347,237	$351,745	$402,260	$417,717	$415,500
Community Relations	$7,000	$8,794	$6,835	$9,833	$7,370	$5,458	$7,500
Administrative and General+LEAP	$700,409	$693,403	$697,404	$713,859	$788,126	$790,494	$800,500
SubTotal	**$1,068,409**	**$1,082,937**	**$1,051,476**	**$1,075,436**	**$1,197,756**	**$1,213,669**	**$1,223,500**
%Change (year over year)		1.4%	-2.9%	2.3%	11.4%	1.3%	2.1%
%Change (Test Year vs Last Rebasing Year - Actual)						13.6%	13.0%
Total	**$1,722,909**	**$1,744,054**	**$1,718,058**	**$1,713,234**	**$1,819,082**	**$1,897,500**	**$1,918,500**
%Change (year over year)		1.2%	-1.5%	-0.3%	6.2%	4.3%	1.1%

	Board Approved	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Operations	$420,000	$442,995	$444,043	$394,084	$407,117	$430,429	$443,000
Maintenance	$234,500	$218,122	$222,539	$243,715	$214,209	$253,402	$252,000
Billing and Collecting	$361,000	$380,741	$347,237	$351,745	$402,260	$417,717	$415,500
Community Relations	$7,000	$8,794	$6,835	$9,833	$7,370	$5,458	$7,500
Administrative and General+LEAP	$700,409	$693,403	$697,404	$713,859	$788,126	$790,494	$800,500
Total	**$1,722,909**	**$1,744,054**	**$1,718,058**	**$1,713,234**	**$1,819,082**	**$1,897,500**	**$1,918,500**
%Change (year over year)		1.2%	-1.5%	-0.3%	6.2%	4.3%	1.1%

---

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

4.2 SUMMARY & COST DRIVER TABLES

4.2.1 SUMMARY OF COST DRIVERS

In accordance with the OEB's minimum filing requirements, OEB Appendix 2-JB, OM&A Cost Drivers, presented below outlines the key drivers of OM&A costs over the period of 2016 to 2021. An overview of the reasons behind the costs drivers is presented following the table, and detailed explanations are presented in Section 4.2.2-Year over Year Variance Analysis.

Table 4 – OEB Appendix 2-JB – Recoverable OM&A Cost Driver Table[4]

Recoverable OM&A Cost Driver Table

Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OM&A	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Opening Balance	$1,720,000	$1,744,054	$1,718,058	$1,713,234	$1,819,082	$1,897,500
Unplanned event: Ice Storm Mar 24-27 causing multiple power outages and trees down in service territory resulting in overtime	$16,000	-$16,000				
WNP Working Agreement contractual adjustments		$22,500	$20,200	$21,600	$22,000	$23,000
CSR employee on maternity leave, position not back-filled		-$35,000				
CSR employee on maternity leave, position back-filled with temporary contractor			-$4,824	-$18,000	$18,000	
Benefits covered while employee was on maternity leave				$7,400	-$7,400	
Organizational restructure: appointment of CEO/President and removal of COO and CAO positions			-$10,000			
Two employees received Merit/Step increases into the next the pay step in their grade					$5,800	
Cyber security changes including retaining a CUO officer and changed to IS infrastructure		$5,600	$12,000	$35,000		
Implementation of SLA with 3rd-party IT provider with monthly fee structure for server patching, antivirus scans and backups				$14,000		
Additional product included in SLA with 3rd-party IT provider - inclusion of Firewall monitoring, increase in IT assistance					$11,400	
IT software upgrade for connectivity with MDM/R and ODS provider				$7,400		
CIS software upgrades necessary for implementing OEB's new customer service rules and bill presentment				$2,600	$8,000	-$8,000
Meter training for Operations	$10,500	-$5,000	-$5,000			
Substation inspection moved to future year			-$10,000	$11,000		
Arc Flash Study		$10,590	-$10,590			
An increase in Grounds Keeping - snow removal and lawn care				$1,800		
Decrease/Increase in CIS yearly maintenance		-$10,000	$3,000	$2,000	$2,300	
Chainsaw Training Course				$1,200		
Cross Phase Testing				$4,350	-$4,350	
Elster MAS yearly maintenance				$5,700		
Increase in locates due to large Wightman Fibre project in Arthur					$8,400	
Purchase of bills & envelopes - WNP received a better rate for a higher volume					$6,365	-$6,365
1518 & 1548 Charges						$12,000
Utility charges at new substation				$3,000		
Miscellaneous Remaining Balance	-$2,446	$1,314	$390	$6,798	$7,903	$365
Closing Balance	$1,744,054	$1,718,058	$1,713,234	$1,819,082	$1,897,500	$1,918,500

---

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

WNP did not experience any changes in expenses above the OEB Filing Requirement materiality threshold of $50,000 during the 2016 to 2021 period. However, the utility has chosen to explain the variances below this amount, as per below:

2016 – 2016 BA; Increase of $26,500

WNP's service area was affected by a major ice storm from March 24 – 27, 2016. This ice storm caused multiple power outages and extensive tree damage resulting in unplanned labour and truck time causing an increase of $16,000. WNP had 2 outside employees attend Meter Training, one continued his training into 2017, creating an increase of $10,00 in 2016.

2017 – 2016; Decrease of $27,310

The lack of a major storm event in 2017 caused a decrease of $16,000. WNP is a Non-Union company and is bound by an "Employee Working Agreement". The utility negotiated a 3 year agreement for the period of 2017-2019 and in 2017 the labour increase was a 2.5% increase which calculated to an increase of $22,500. In 2017 a Customer Service Representative went off on maternity leave, after much consideration WNP decided to use existing personnel to cover this leave. This created a net savings for the company of $35,000. In 2017 WNP started working with our 3rd-party IT company to address the issue of Cyber Security this was an increase of $5,600. One employee who was previously doing Meter Training continued his training into 2017, the other completed his training causing a decrease of $5,000. WNP hired a 3rd-party to preform an Arc Flash Study resulting in an increase of $10,590. WNP negotiated with its CIS vendor in annual maintenance support fees in 2017 resulting in a large decrease of $10,000.

2018 – 2017; Decrease of $5,214

The utility negotiated a 3 year agreement for the period of 2017-2019 and in 2018. the labour increase was a 2.25% which calculated to an increase of $20,200. There was a decrease of $4,824 that was a combination of the employee on maternity leave in 2017 not returning until March of 2018 and another employee leaving on maternity leave in 2018. WNP reviewed its resources and with fewer phones calls and office visits it was decided to hire a full-time person on a 12 month contract to cover the maternity leave and enlist staff from other departments to assist when needed, causing a permanent reduction in customer service staff by one. WNP had a restructure in 2018 which saw the removal of the Chief Operating Officer (COO) and the Chief Administration Officer (CAO) and the creation of the one position of Chief Executive Officer/President. This created a net savings of $10,000 for the company. In 2018 WNP continued working with our 3rd-party IT company to address the issue of Cyber Security, in late 2018 WNP retained the monthly services of a Cybersecurity IT Consultant, both of these combined for an increase of $12,000. Meter Training ended for the operations employee resulting in a decrease of $5,000. WNP installed a new substaion in 2018 and therefore did not require a substation inspection to be preformed by a 3rd-party causing a decrease of $10,000. The lack of Arc Flash Study resulted in a decrease of $10,590. There was an increase of $3,000 in the yearly fee for the CIS maintenance agreement.

2019 – 2018; Increase of $99,050

The utility negotiated a 3 year agreement for the period of 2017-2019 and in 2019, the labour increase was 2.25%, which calculated to an increase of $21,600. The employee that was hired to cover the maternity leave was hired at a lower cost resulting in a decrease of $18,000, however WNP was still required to cover the benefits of the employee on leave as well as the employee covering the leave which caused an increase of $7,400. In 2019 WNP continued the monthly services of the Cybersecurity IT Consultant. This along with an added Service Level Agreement with a 3rd-party provider which included a monthly fee structure for server patching, antivirus scans and backups caused an increase of $49,000. There was also a required IT software upgrade for connectvity with MDM/R and ODS providers that resulted in an increase of $7,400. In 2019 WNP incurred costs for necessary software upgrades to the CIS system for implementing the OEB's new customer service rules and bill presentment causing an increase of $2,600. The return of the substation inspections created an increase of $11,000. In 2018 WNP saw an increase in both snow removal and lawn care causing an increase of $1,800 in Grounds Keeping. There was an increase of $2,000 in the yearly fee for the CIS maintenance agreement. WNP's operations staff attend Chainsaw training in 2019 with a cost of $1,200. In 2019 WNP had a 3rd-party complete Cross Phase Testing resulting in an increase of $4,350. WNP saw an increase of $5,700 in the service agreement for the Metering Automation System (MAS), which resulted in an adjustment to the budget. With the installation of the new substation in 2018, it also created an increase of $3,000 in utility costs in 2019 and going forward.

2020 – 2019; Increase of $70,515

The utility negotiated a 3 year agreement for the period of 2020-2022 and in 2020, the labour increase was a 2% which calculated to an increase of $22,000. The employee that was on maternity leave returned to the company causing an increase of $18,000, however since the employee covering that maternity leave left the company there was a decrease in benefits of $7,400. In 2020 WNP had 2 employees that had completed educational/training programs which lead to them receiving Merit/Step increases moving them to the next step in their pay grade resulting in an increase of $5,800. WNP added Firewall monitoring to the exsisting SLA with the 3rd-party resulting in additonal costs of $11,400. WNP incurred costs for necessary software upgrades to the CIS system for implementing the OEB's new customer service rules and bill presentment causing an increase of $8,000. There was an increase of $2,300 in the yearly fee for the CIS maintenance agreement. The lack of the 3rd-party Cross Phase Testing resulted in a decrease of $4,350. 2020 has seen an increase in the amount of locates required, which has caused an increase in labour and truck time of $8,400. This is mostly due to the fact that Wightman (a local Telecommunications company) is installing fibre to the town of Arthur. WNP was presented with a better rate for bills and envelopes if a large volume was purchased. These were purchased in 2020 causing an increase of $6,365 and this was a one-off expense.

2021 – 2020; Increase of $20,635

The utility negotiated a 3 year agreement for the period of 2020-2022 and in 2021, the labour increase will be 2% which calculated to an increase of $23,000. The lack of the software upgrades to the CIS system, along with the purchase of bills and envelopes created a decrease of $8,000 and $6,365 respectively. In 2021 as per the OEB changes to remove 1518 and 1548 accounts, WNP will see an increase of $12,000 in retailer expenses charged to OM&A.

4.2.2 YEAR OVER YEAR VARIANCE ANALYSIS

The following section provides explanations of the year over year cost variances and drivers. As explained in the previous Cost Driver section, WNP did not have any changes above the OEB Filing Requirement threshold of $50,000; however, the utility choses to highlight and explain variances that it considers significant enough to warrant justification and provide further clarity of the accounts. The explained variances include both increases and decreases above the previous year or Board Approved amounts. For each significant change, WNP has described the reasons and decision that was made to manage the cost increase or decrease and the alternatives considered.[5]

The table below shows the year-over-year variances of OM&A expenses for 2016 Board Approved to the 2021 Test Year:

Table 5 – 2016 Actual vs. 2016 Board Approved

	Board Approved	2016	Var $	Var %
Operations	$420,000	$442,995	$22,995	5.5%
Maintenance	$234,500	$218,122	-$16,378	-7.0%
Billing and Collecting	$361,000	$380,741	$19,741	5.5%
Community Relations	$7,000	$8,794	$1,794	25.6%
Administrative and General+LEAP	$700,409	$693,403	-$7,006	-1.0%
Total	**$1,722,909**	**$1,744,054**	$21,145	1.2%

The total OM&A costs in 2016 were $21,145 greater than the 2016 Board Approved amount. The main reason for the variance between Board Approved and Actual was due to a major ice storm during the Easter weekend of 2016 that caused multiple power outages and extensive tree damage throughout our service area. Consequently, line crews worked tirelessly to restore power safely and clear tree debris from power lines which resulted in labour overtime and truck time totaling $16,000.

---

[5] 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 6 – 2017 Actual vs. 2016 Actual

	2016	2017	Var $	Var %
Operations	$442,995	$444,043	$1,048	0.2%
Maintenance	$218,122	$222,539	$4,417	2.0%
Billing and Collecting	$380,741	$347,237	-$33,504	-8.8%
Community Relations	$8,794	$6,835	-$1,958	-22.3%
Administrative and General+LEAP	$693,403	$697,404	$4,001	0.6%
Total	**$1,744,054**	**$1,718,058**	-$25,996	-1.5%

The total OM&A costs in 2017 were $25,996 lower than 2016 Actual, due to the following factors:

- In 2017 WNP completed an Arc Flash study causing an increase of $10,600 however this is offset by the lack of the major storm event and the related costs relative to 2016.
- In 2017, a Customer Service Representative went on maternity leave for 12-months. After due consideration and assessment of the employee’s duties, WNP decided to use existing LDC personnel to provide the necessary customer service and not back-fill this position. This had a minimal impact to the LDC’s service performance and created a cost-savings in Billing & Collecting.

Table 7 – 2018 Actual vs. 2017 Actual

	2017	2018	Var $	Var %
Operations	$444,043	$394,084	-$49,959	-11.3%
Maintenance	$222,539	$243,715	$21,176	9.5%
Billing and Collecting	$347,237	$351,745	$4,508	1.3%
Community Relations	$6,835	$9,833	$2,997	43.9%
Administrative and General+LEAP	$697,404	$713,859	$16,455	2.4%
Total	**$1,718,058**	**$1,713,234**	-$4,824	-0.3%

The total OM&A costs in 2018 were only slightly lower than 2017 actuals; variances in each category are explained largely as a result of the following factors:

- In 2017 WNP completed an Arc Flash Study attributing to decrease in 2018 of $10,600 in Operations as this was a one-time cost.
- The Operations Technician resigned from WNP causing this full-time position to be vacant for 2 months until there was a new hire causing a decrease in Operations.
- For Administration, the utility retained a Cybersecurity IT Consultant in October 2018 to prioritize and address the OEB’s cyber-security framework issued in December 2017.

- A CSR went on maternity leave in April 2018. Since another CSR, who had recently returned from maternity leave, also resigned in June 2018, WNP reviewed its resourcing capacity and determined it was necessary to hire a full-time person on a 12-month contract to back fill this temporary vacancy. The new-hire started in June 2018. This reduced the permanent customer service staff by one. This was possible due to a change in customer assistance patterns with less phone calls and office visits and more e-mails. However, it became necessary to periodically enlist staff from other departments to assist in customer service tasks.
- WNP had a restructure in 2018 seeing the creation of positions for CEO/President, Regulatory Manager, Finance Supervisor, Customer Service Team Leader and Manager of Operations. These new positions were all filled from within the organization, however this resulted in the movement of payroll dollars between the operating expense accounts.

Table 8 - 2019 Actual vs. 2018 Actual

	2018	2019	Var $	Var %
Operations	$394,084	$407,117	$13,033	3.3%
Maintenance	$243,715	$214,209	-$29,506	-12.1%
Billing and Collecting	$351,745	$402,260	$50,516	14.4%
Community Relations	$9,833	$7,370	-$2,463	-25.0%
Administrative and General+LEAP	$713,859	$788,126	$74,267	10.4%
Total	**$1,713,234**	**$1,819,082**	$105,847	6.2%

The total OM&A expenses in 2019 were considerably higher than 2018 Actuals. The main contribution to the variance were the costs involved with Cyber Security, data privacy and IT requirements. As mentioned, in October 2018, the utility retained a Cybersecurity IT Consultant, required to prioritize and address the OEB's cyber-security framework. Consequently, in 2019, there was investment in IT and privacy including:

- Implentation of a Service Level Agreement with a 3rd-party IT provider, which included a monthly fee structure for server patching, antivirus scans and backups resulting in an increase of $14,000.
- A full 12-months of retained fees for WNP's Cybersecurity IT Consultant.
- IT software upgrade for connectvity with MDM/R and ODS providers at a cost of $7,400.

- An increase in the Elster Metering Automation System (MAS) yearly maintenance fee of $5,700.

Other items that added movement to the OM&A accounts included:

- WNP had another restructure in 2019 to further refine it's staffing needs. This saw the role of the Finance Supervisor move into the Finance Manager, the Regualtory Manager move into the role of Manager of Customer Service & Regulatory Affairs and the Customer Service Team Leader move into the role of Senior Customer Service Representative. The movement of these roles caused further movement of labour costs within the operating expense accounts. One of the most notable movements is the allocation to supervisory labour for Manager of Customer Services. With the previous decrease in staffing in this area, this increased support to the Customer Service team was necessary, especially to oversee system changes and regulatory compliance. This lead to an overal increase in the costs for Billing and Collecting as indicated in Table 8. The full year allocation of the the position of CEO/President also increased Administration with a decrease in Operations and Maintenace related to the removal of the COO position.

For the Bridge Year (2020), WNP has included no changes in the reported numbers due to the expenses related to COVID-19; the 2020 expenses recorded in this Application are based on proportioned actual (8 months) and budgeted costs (4 months):

Table 9 - 2020 Bridge vs. 2019 Actual

	2019	2020	Var $	Var %
Operations	$407,117	$430,429	$23,312	5.7%
Maintenance	$214,209	$253,402	$39,193	18.3%
Billing and Collecting	$402,260	$417,717	$15,457	3.8%
Community Relations	$7,370	$5,458	-$1,912	-25.9%
Administrative and General+LEAP	$788,126	$790,494	$2,368	.3%
Total	**$1,819,082**	**$1,897,500**	$78,418	4.3%

The total OM&A expenses in the 2020 Bridge year are forecasted to be $78,418 above the 2019 Actuals. There were several contributors to this increase:

- In 2020, a WNP employee returned from 18-months maternity leave resuming her CSR full-time position which was at higher rate than the temporary person that was hired to backfill her position. Consequently, this caused an increase of $18,000 in Billing and Collecting.

- WNP purchased a higher volume of bills and envelopes for a lower cost increasing Billing and Collecting by a net amount of $6,365.
- For Administrative expenses, in 2020, WNP implemented additional firewall monitoring services from its IT partner which resulted in an increase in costs of $11,400 above 2019. This is a permanent increase in ongoing costs.
- For three months in the fall of 2019 WNP was unable to hire a suitable replacement CSR to cover an extended maternity leave. This was unsustainable in the long-term, but in the short-term it meant that the Operations Coordinator allocated time to supporting the Customer Service team and some tasks in both departments were incomplete until staffing returned to normal. Once this occurred, and labour allocations adjusted in 2020, the Operations portion of those expenses increased by $15,000 over 2019.
- In 2020 locating costs increased by $8,400 due to the town of Arthur having fiber internet installed which contributed to the increase in Operations.
- In 2020 WNP had two employees that received Merit/Step increases within their paygrade causing an increase of $5.800.

For the Test Year (2021), WNP has included no provisions in budgets for the expenses related to COVID-19; instead the utlity has assumed these are “normal” business operating years

Table 10 – 2021 Test vs. 2020 Bridge

	2020	2021	Var $	Var %
Operations	$430,429	$443,000	$12,571	2.9%
Maintenance	$253,402	$252,000	-$1,402	-0.6%
Billing and Collecting	$417,717	$415,500	-$2,217	-0.5%
Community Relations	$5,458	$7,500	$2,042	37.4%
Administrative and General+LEAP	$790,494	$799,350	$8,856	1.1%
Total	**$1,897,500**	**$1,917,350**	$19,850	1.0%

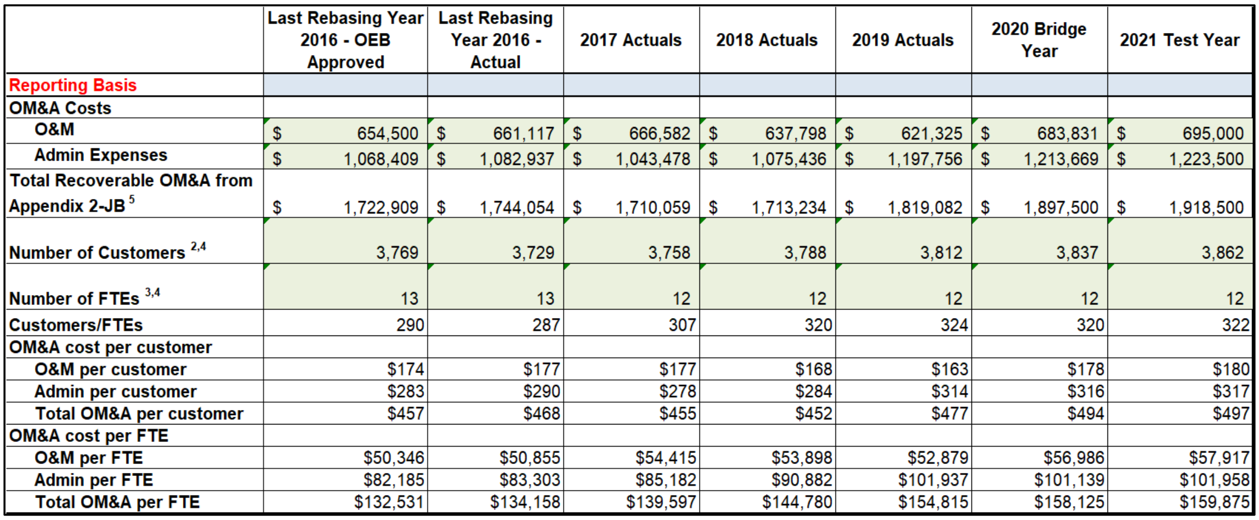
The total OM&A expenses in 2021 Test Year are $19,850 more than 2020 Bridge Year and therefore there are no material variances.

Cost per Customer

The table below is a taken from the OEB's Chapter 2 Appendix, worksheet "App.2-L OM&A per Cust-FTE" and shows the OM&A cost per customer of $497 in Test Year (2021) compared to $457 as the 2016 Board-Approved amount. This is a $40 increase per customer over the 5-year period, equivalent to 9% or 1.69% per year which is slightly below inflation. As noted in the previous section, the utility has experienced incremental expenses that were not accounted for in the 2016 Board-approved amount. For example and of significance, the increase spending in IT to prioritize and address the OEB's cyber-security framework[6] which has included security-audits in 2017 and 2019 performed by a third-party; enhanced back-up solutions to secure data off-site; additional layers of security and vulnerability monitoring; and retaining the services of a Cybersecurity IT Consultant to assist with minimizing the utility's risk profile.

As noted in section 4.4, WNP full-time employee (FTE) headcount has decreased by one from 13 FTEs in 2016 to 12 FTEs since April 2018. This reduction in headcount has helped offset some of the additional or new expenses that have occurred since rebasing in 2016. That said, WNP will continue to look for ways of finding efficiencies to help reduce costs for its customers.

Table 11 – OEB Appendix 2-L Recoverable OM&A Cost per Customer and FTE[7]



	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							
OM&A Costs							
O&M	$ 654,500	$ 661,117	$ 666,582	$ 637,798	$ 621,325	$ 683,831	$ 695,000
Admin Expenses	$ 1,068,409	$ 1,082,937	$ 1,043,478	$ 1,075,436	$ 1,197,756	$ 1,213,669	$ 1,223,500
Total Recoverable OM&A from Appendix 2-JB [5]	$ 1,722,909	$ 1,744,054	$ 1,710,059	$ 1,713,234	$ 1,819,082	$ 1,897,500	$ 1,918,500
Number of Customers [2,4]	3,769	3,729	3,758	3,788	3,812	3,837	3,862
Number of FTEs [3,4]	13	13	12	12	12	12	12
Customers/FTEs	290	287	307	320	324	320	322
OM&A cost per customer							
O&M per customer	$174	$177	$177	$168	$163	$178	$180
Admin per customer	$283	$290	$278	$284	$314	$316	$317
Total OM&A per customer	$457	$468	$455	$452	$477	$494	$497
OM&A cost per FTE							
O&M per FTE	$50,346	$50,855	$54,415	$53,898	$52,879	$56,986	$57,917
Admin per FTE	$82,185	$83,303	$85,182	$90,882	$101,937	$101,139	$101,958
Total OM&A per FTE	$132,531	$134,158	$139,597	$144,780	$154,815	$158,125	$159,875

'*Customers do not include connections

---

[6] Ontario Cyber Security Framework, December 6, 2017

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

4.2.3 ACTUAL VS INFLATION

Utilities are under constant pressure to relate their spending to cost inflation; therefore, in the preparation of the Test Year budget, WNP has calculated the year over year inflationary increase in OM&A costs the actual yearly CPI rates and compared to its 2021 operating costs.

As shown in the table below, if the utility had applied an inflationary increase only, the 2021 resulting costs would be $1,475 lower than the Test Year in this application, thus demonstrating that WNP is controlling costs.

Table 12 – OM&A 2021 Test Year as filed

Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
	Board Approved	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Operations	$420,000	$442,995	$444,043	$394,084	$407,117	$430,429	$443,000
Maintenance	$234,500	$218,122	$222,539	$243,715	$214,209	$253,402	$252,000
Bill & Collect	$361,000	$380,741	$347,237	$351,745	$402,260	$417,717	$415,500
Community Relations	$7,000	$8,794	$6,835	$9,833	$7,370	$5,458	$7,500
Admin + LEAP	$700,409	$693,403	$697,404	$713,859	$788,126	$790,494	$800,500
Total	**$1,722,909**	**$1,744,054**	**$1,718,058**	**$1,713,234**	**$1,819,082**	**$1,897,500**	**$1,918,500**

Table 13 -Hypothetical OM&A 2021 Test Year with CPI inflation rates

Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
	Board Approved	**2017**	**2018**	**2019**	**2020**	**2021**
Inflation Rate		**2.2%**	**3.1%**	**2.5%**	**1.5%**	**1.5%**
Operations	$420,000	$429,240	$442,546	$453,610	$460,414	$467,320
Maintenance	$234,500	$239,659	$247,088	$253,266	$257065	$260,921
Bill & Collect	$361,000	$368,942	$380,379	$389,889	$395,737	$401,673
Community Relations	$7,000	$7,154	$7,376	$7,560	$7,674	$7,789
Admin + LEAP	$700,409	$715,818	$738,008	$756,459	$767,805	$779,323
Total	**$1,722,909**	**$1,760,813**	**$1,815,398**	**$1,860,783**	**$1,888,695**	**$1,917,025**

The inflation rate was applied to each of the OM&A categories to produce a total adjusted inflation rate as illustrated in the above table. The requested OM&A spending in this COS matches almost exactly with inflation adjusted numbers from the 2016 Board Approved OM&A. Additional spending on Cyber-security and other OEB mandated responsibilities have been offset by savings in other areas.

4.3 PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

4.3.1 PROGRAM DESCRIPTIONS

The appendix below shows the year over year variances of OM&A programs for 2016 Board Approved to 2021 Test Year. A variance analysis of expenses exceeding the materiality threshold follows the tables.

The table below shows the year over year variances of OM&A programs from 2016 Board Approved to Test Year (2021).

Table 14 - OEB Appendix 2-JC – OM&A Programs Table[8]

Programs	Last Rebasing Year (2016 OEB-Approved)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Bridge Year	2021 Test Year	Variance (Test Year vs. 2019 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB-
Reporting Basis									
Program Name #1: Customer Focus									
Operational Effectiveness & Communication	7,000	11,803	10,538	13,680	10,640	8,761	11,000	360	4,000
Customer Service, Mailing Costs, Billing	177,890	199,102	186,371	173,435	225,461	201,484	205,000	-20,461	27,110
Customer Service Collections	99,682	99,877	95,651	91,231	85,906	113,340	111,000	25,094	11,318
Retailer Charges	5,600	5,730	4,690	5,648	7,881	9,100	11,000	3,119	5,400
Bad Debts	18,000	11,753	11,578	12,048	13,749	14,233	15,000	1,251	-3,000
Service Locates	41,000	62,722	67,473	57,420	70,872	78,916	75,000	4,128	34,000
Sub-Total	349,172	390,987	376,301	353,462	414,509	425,834	428,000	13,491	78,828
Program Name #2: Operational Effectiveness									
Meter Maintenance & Reading	186,164	167,264	156,680	147,191	160,372	154,718	161,000	628	-25,164
Distribution sub-stations and protection and control	51,400	29,871	32,290	23,212	42,384	43,278	43,000	616	-8,400
Asset management & maintenance department	68,803	83,261	63,873	53,879	75,863	85,776	90,000	14,137	21,197
Overhead Lines	62,600	49,279	58,690	48,577	35,204	58,534	57,000	21,796	-5,600
Underground Lines	9,600	1,155	2,481	2,440	2,263	3,096	4,000	1,737	-5,600
Operations & engineering ,Inspection drafting & design construction services	174,000	200,985	220,052	245,009	192,216	193,977	193,000	784	19,000
Line Clearing (Tree trimming)	78,500	50,851	58,352	77,570	50,934	76,597	73,000	22,066	-5,500
Underground conduit/conductors/services	5,500	3,012	9,675	9,008	2,126	6,132	4,500	2,374	-1,000
Poles Towers & Fixtures	7,500	15,470	9,498	9,972	18,113	17,025	20,000	1,887	12,500
Health & Safety Costs	15,200	19,379	20,251	16,216	20,866	18,849	19,000	-1,866	3,800
Executive, Financial , Legal, Professional and Insurance Services	431,260	475,162	454,863	422,848	455,580	458,909	459,500	3,920	28,240
Post employment costs	12,568	14,533	19,712	19,300	12,976	12,204	20,000	7,024	7,432
Office building & security costs	34,762	29,594	30,159	33,319	37,762	33,300	36,990	-772	2,228
IT, software, telecommunications	30,360	28,102	21,490	34,331	77,015	87,700	89,000	11,985	58,640
Sub-Total	1,168,217	1,167,917	1,158,065	1,142,871	1,183,675	1,250,095	1,269,990	86,315	101,773
Program Name #3: Public & Regulatory Responsiveness									
Regulatory & Compliance	128,460	120,470	122,597	157,480	160,787	161,354	158,510	-2,277	30,050
Metering Compliance	74,151	64,680	61,095	59,421	60,111	60,217	62,000	1,889	-12,151
Sub-Total	202,611	185,150	183,692	216,901	220,898	221,571	220,510	-388	17,899
Miscellaneous								0	0
Total	**1,720,000**	**1,744,054**	**1,718,058**	**1,713,234**	**1,819,082**	**1,897,500**	**1,918,500**	**99,418**	**198,500**

---

[8] 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

The table below shows year over year variance using the RRFE categorization.

Table 15 - OEB Appendix 2-JC – OM&A Programs Table[9]

							Test Year Versus Last Rebasing	Test Year Versus Most Current Actuals
Reporting Basis								
Programs	**USoA**	**2016-2017**	**2017-2018**	**2018-2019**	**2019-2020**	**2020-2021**	**Variance ($)**	**Variance ($)**
Customer Focus								
Operational Effectiveness & Communication	5410, 5415, 5420, 5515, 6205	($1,265)	$3,141	($3,040)	($1,879)	$2,239	($803)	$360
Customer Service, Mailing Costs, Billing	5305, 5315, 5340, 5620, 5325	($12,731)	($12,936)	$52,026	($23,977)	$3,516	$5,898	($20,461)
Customer Service Collections	5320	($4,226)	($4,419)	($5,326)	$27,434	($2,340)	$11,123	$25,094
Retailer Charges	5315	($1,041)	$958	$2,233	$1,219	$1,900	$5,270	$3,119
Bad Debts	5335	($175)	$470	$1,701	$484	$767	$3,247	$1,251
Service Locates	5070, 5075	$4,751	($10,053)	$13,452	$8,044	($3,916)	$12,278	$4,128
Sub-Total		($14,686)	($22,839)	$61,047	$11,325	$2,166	$37,013	$13,491
Operational Effectiveness								
Meter Maintenance & Reading	5065, 5310, 5175	($10,584)	($9,488)	$13,181	($5,654)	$6,282	($6,264)	$628
Distribution sub-stations and protection and control	5016, 5017, 5114	$2,418	($9,078)	$19,172	$894	($278)	$13,129	$616
Asset management & maintenance department	5085	($19,388)	($9,995)	$21,984	$9,913	$4,224	$6,739	$14,137
Overhead Lines	5020, 5025, 5030, 5035, 5125, 5130, 5160	$9,411	($10,113)	($13,373)	$23,330	($1,534)	$7,721	$21,796
Underground Lines	5040, 5045, 5050, 5055	$1,326	($41)	($176)	$833	$904	$2,845	$1,737
Operations & engineering ,Inspection drafting & design construction services	5005, 5105, 5010, 5085	$19,067	$24,958	($52,793)	$1,761	($977)	($7,985)	$784
Line Clearing (Tree trimming)	5135	$7,502	$19,217	($26,636)	$25,663	($3,597)	$22,149	$22,066
Underground conduit/conductors/services	5145, 5150, 5155	$6,663	($666)	($6,882)	$4,006	($1,632)	$1,488	$2,374
Poles Towers & Fixtures	5120	($5,972)	$474	$8,141	($1,088)	$2,975	$4,530	$1,887
Health & Safety Costs	5680, 5620, 5025, 5045	$872	($4,035)	$4,650	($2,017)	$151	($379)	($1,866)
Executive, Financial , Legal, Professional and Insurance Services	5640, 5605, 5610, 5615, 5635, 5620, 5630	($20,299)	($32,015)	$32,732	$3,329	$591	($15,662)	$3,920
Post employment costs	5645	$5,179	($412)	($6,324)	($772)	$7,796	$5,467	$7,024
Office building & security costs	5012, 5110, 5085, 5620, 5670, 5675	$565	$3,160	$4,444	($4,462)	$3,690	$7,396	($772)
IT, software, telecommunications	5085	($6,612)	$12,841	$42,684	$10,685	$1,300	$60,898	$11,985
		$0	$0	$0	$0	$0	$0	
Sub-Total		($9,852)	($15,193)	$40,804	$66,420	$19,895	$102,073	$86,315
Public and Regulatory Responsiveness								
Regulatory & Compliance	5655	$2,127	$34,883	$3,308	$567	($2,844)	$38,040	($2,277)
Metering Compliance	5665	($3,585)	($1,674)	$689	$106	$1,783	($2,680)	$1,889
Sub-Total		($1,458)	$33,209	$3,997	$673	($1,061)	$35,360	($388)
TOTAL OM&A		**($25,997)**	**($4,824)**	**$105,847**	**$78,418**	**$21,000**	**$174,446**	**$99,418**

---

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

2016-2021 Variances

WNP did not have any changes above the OEB Filing Requirement threshold of $50,000. However, the utility choses to highlight and explain variances that it considers significant enough to warrant justification and provide further clarity of the accounts. Below is a summary of those variances.

2018 vs. 2017

- WNP had a change in positions which resulted a decrease in Operational Effectiveness – Executive, Financial, Legal, Professional and Insurance of $35,000 and an increase in Public and Regulatory Responsiveness – Regulatory & Compliance of $31,000.

2019 vs. 2018

- WNP had a change in positions which caused movement in labour costs. This was more of a complex change which resulted in an increase in of $51,000 in Customer Focus – Customer Service, Mailing Costs, Billing and a decrease of $50,000 in Operational Effectiveness – Operations & Engineering, Inspection, Drafting & Design Construction Services.
- 2019 brought a heavy focus on Cyber security which caused an increase in Operational Effectiveness – IT, Software, Telecommunications of $49,000.

2020 vs. 2019

- WNP’s employee that was on Maternity leave in 2019 returned in 2020 causing an increase in Customer Focus – Customer Service Collections of $18,000.
- Operational Effectiveness – IT, Software, Telecommunications increased by $11,000 due to the adding Firewall monitoring to the existing SLA.

The following section describes programs which WNP has adopted. The categorization of USoA account/functions was based on the RRFE categories, Customer Focus, Operational Effectiveness, Public Responsiveness and Miscellaneous.

Program Overview

WNP aims to meet or exceed the system maintenance and inspection requirements of the Ontario Energy Board's Distribution System Code (DSC) in order to minimize subsequent repair and/or replacement costs. Section 4.4.1 of the DSC states:

> *"A distributor shall follow good utility practice in managing the power quality of the distributor's distribution system and define in its Conditions of Service the quality of service standards to which the distribution system is designed and operated."*

The following OM&A programs demonstrate good utility practices.

Customer Focus

- Operational Effectiveness & Communication
- Customer Service, Mailing Costs, Billing and Collections
- Retailer Charges
- Bad Debts
- Monthly Billing
- Service Locates

Operational Effectiveness

- Meters operations and maintenance
- Distribution sub-stations and protection and control
- Asset Management
- Overhead/Underground lines operations and maintenance
- Operations & Engineering, Inspection, Drafting & Design Construction Services
- Distribution Transformers
- Vegetation Management
- Pole, Towers & Fixtures

- Health & Safety Costs
- Executive, Financial, Legal, Professional and Insurance Services
- Post-employment costs
- Procurement and Materials Management
- Office Building & Security Costs
- IT, Software and Telecommunications

Public and Regulatory Responsiveness

- Regulatory & Compliance
- Industry Membership Fees
- Metering Compliance

The tables on the following pages illustrates expenditure WNP's OM&A Programs for the period 2016 Board-approved through to the Test Year (2021) projections

Each OM&A Program is discussed in detail below:

CUSTOMER FOCUS

Operational Effectiveness & Communication

The coordination of both internal and external communications strategies is central to supporting the company's strategic plan, as well as key community, safety, customer and employee initiatives. Strategies and plans help to support media communications, website development and the integration of social media into the communications platform. All of these activities focus on enhancing public understanding of their local distributor and Ontario's power system, as well as educating consumers on electrical safety, managing their electricity bill, creating a culture of conservation and activities that directly support community initiatives.

For WNP this means a commitment to provide relevant and timely consumer information to it's over 3,800 customers, including proactive communications as it relates to the local distribution system and related electricity issues that impact ratepayers. WNP maintains a visible presence in the community it serves by education and keeping its customers informed about electrical safety (at home, in school and in the workplace); contributions to the community, consumer-based issues such as escalating electricity prices or Time-of Use rates; projects and local initiatives (i.e. Community Energy Plan); and any relevant programs, issues and/or projects that impact customers.

The costs included in the Community Relations cost category are related to the functions of the WNP community safety programs, and activities related to corporate and customer communications.

Customer Service, Mailing Costs and Billing

WNP’s Customer Service and Billing department are responsible for activities that include:

- Correctly computing and billing customer using approved rates, rate riders, rate adders, loss factors and other regulated rates and charges
- Testing and promoting Customer Information System enhancements to support regulatory changes
- Processing bill payments in a timely manner to satisfy cash flow requirements, and
- Managing delinquent accounts appropriately so that all customers pay for the services provided to them.

The Billing department is also responsible for handling day to day customer inquiries in regards to their accounts and fielding numerous other questions as they relate to Government and Regulatory policy, pricing and consumption inquires. In addition to this function, office data clerks are also responsible for processing of payments dropped at our office, customer move ins and outs, activations of our Equal Payment program, and numerous other administrative tasks. This department fields over 5,700 calls per year and responds to approximately 1,900 emails.

Monthly Billing

The billing Department is responsible for all billing activities supporting approximately 3,800 customers in WNP’s three service areas. This includes the provision of monthly billing that results in WNP issuing of 45,800 invoices annually in addition to approximately 525 final bills for customers moving within or outside of WNP’s service territory annually. The Billing Department is responsible for managing Electronic Business Transactions (‘EBT”) and retailer settlement functions for just over 189 retailer accounts; account adjustments; processing of meter changes (e.g. re-verification); and other various account related field service orders, and mailing services. In 2019 WNP had a billing error rate of 0.51%.

WNP's office is open to their customers 5 days a week to assist them with payments and billing inquires or concerns. WNP offers customers a number of billing and payment options including an equal payment plan, an equal billing plan, pre-authorized payments, online payment, cheque, cash, debit and credit card payments. In addition, customers can view their usage and manage their consumption using an online application.

Retailer Charges

This program includes all labour involved in dealing with the importing of files from the retailer, the reviewing of the files and the response back to the retailer. This also involves the processing of retailer service agreements and from time to time correspondence with the retailers regarding specific accounts.

Collections and Bad Debts

Collection activity is not exclusive to overdue accounts, it also includes the adoption and continued application of a prudent Credit Policy and the Customer Service Amendments consistent with the OEB's Distribution System Code.

Following the implementation of the revised OEB customer service rules for the handling of arrears management, WNP's Customer Service Department has installed processes to ensure that collection activities adhere to regulatory requirements. Consequently, this has resulted in WNP spending more time managing and assisting those customers who fall behind with their payments. This includes the introduction in March 2019 of "Overdue Notices" through an automated telephone message and/or e-mail as a gentle remainder to customers that their bill is overdue and we recommend you contact WNP to help discuss payment options and financial programs that may be of assistance.

WNP does not outsource its collections activity and the utility is fortunate that a low percentage of its customer-base makes up the company's annual bad debt and this is largely as a result of the tenaciousness of the Collections Department to chase the debts. Collections include a variety of activities, including the collection of overdue accounts, treatment of security deposits and final bills for service termination. In an effort to minimize bad-debt write-off, WNP enforces a prudent credit policy in accordance with the Distribution System Code. Active overdue accounts and Final bill accounts are collected by in-house staff through notices, letters, emails and direct telephone contact.

Service Locates

A portion of WNP's distribution system is underground. Whenever WNP's customers are preparing to excavate they contact Ontario One Call to request that a Locate be performed. Ontario One Call relays the customer's request to WNP. A customer service employee fulfills the request within the mandated 5 business day window; currently data is valid for 60 calendar days. The employee provides the data directly to the requesting customer and copies to WNP so that the customer can safely commence their panned excavation. This is a reactive activity and in a typical year WNP responds to over 620 requests.

OPERATIONAL EFFECTIVENESS

WNP's Operations strategy is to provide safe, reliable service at an appropriate level of quality throughout the licensed service area. WNP's maintenance strategy is an important part of its overall strategy of minimizing the life cycle costs of assets by minimizing reactive and emergency-type work, through an effective planned maintenance program (including predictive and preventative actions). These strategies are implemented through policies and work practices that promote a good experience for the customer with regard to safety, security of supply, continuity of service, the timely restoration of service and the minimization of undesirable service conditions.

WNP's customer responsiveness and system reliability are monitored to ensure that its maintenance strategy is effective. This effort is coordinated with WNP's capital project work, so that maintenance programs help to identify those areas that require capital investments. WNP is then able to adjust its capital spending priorities to address these matters. This process is described in more detail in conjunction with WNP's Asset Management Plan, found in the Distribution System Plan filed with this rate application.

Within WNP, Operations and Maintenance expenses include all costs relating to the operation and maintenance of the WNP distribution system. This includes both direct labour costs and non-capital material spending to support both scheduled and reactive maintenance events. In addition, costs are allocated from support departments to cover the costs of Labour Burden, Material and Vehicles.

Meters Operations and Maintenance

WNP owns and maintains approximately 3,830 meters installed on its customers' premises for the purpose of measuring energy consumption of electricity for billing purposes. Meters vary in type by customer and include meters capable of measuring kWh consumption, kW demand and kVa, as well as hourly interval data. WNP invoices its customers monthly, on a calendar billing cycle. All direct labour, vehicles and material related to metering activities is charged to metering.

- **Wholesale Metering -** WNP receives its power from HONI by three 44kV subtransmission feeders and an 8.3kV distribution feeder. The four feeders are metered at the borders of Arthur (44kV), Mount Forest (44kV) and Holstein (8.3kV).
- **Retail Metering -** WNP uses Elster meters across its service territory and has contractual agreements with:
  - Rodan Energy Solutions for Operational Data Store (ODS) which involves the validation, estimation and editing (VEE) of metered data;
  - UtiliSmart as WNP's appointed Advance Metering Infrastructure (AMI) Operator and;
  - UtiliSmart for settlement services and web presentment of Wholesale, Retail and Embedded Generation interval data.
- **Smart Meters -** All Smart metered interval data (Residential and General Service <50kW customers) is provided to the Meter Data Management and Repository (MDM/R) who process, store and manage the data. The MDM/R metered data is shared with the LDC who, with support from Savage Data Systems, validates the interval usage and ensures completeness of data. In 2017, 2018 and 2019, WNP sampled a population of Smart

Meters for accuracy in accordance with Measurement Canada requirements due to the meters approaching a seal life of 10 years. The results from the sampling were good meaning the Smart meters were sealed for use for a further 6 years. In its' 2015 DSP, WNP had planned to replace all its' Smart meters during 2017 to 2019 as the meters were approaching 10 years old. WNP opted to re-verify its' Smart meters (i.e. extend their life rather than replace.)

- **MicroFIT/FIT -** MicroFIT/FIT interval metered data follows the same routine process as Smart meters, with the exception that the data is not sent to or stored in the MDM/R.
- **Over 50kW Meters -** General Service 50-999 kW (GS50-999 kW) and General Service 1,000-4999 kW (GS1000-4999 kW) interval metered data and meter readings are transmitted by telecommunications each night. Each meter is dialed and the data is downloaded into MV90 and shared with Utilismart.
  - **MIST Meter -** WNP is compliant to the "Metering Inside the Settlement Timeframe" (MIST) requirement[10]. All existing services with a monthly average peak demand during a calendar year of over 50 kW has had a MIST meter installed. WNP started installing MIST meters to customers in its' General Service 50-999 kW rate class in September 2017 and completed the project in early January 2018. Any new services with a projected average peak demand of over 50 kW during a calendar year had a MIST meter installed.

Distribution Sub-Stations and Protection and Control

WNP owns and operates six (6) municipal substations throughout its service territory. Substation inspections are performed on a monthly basis to identify any potential issues such as excessive vegetation growth, leaks or other signs of damage or unsafe conditions. In addition to the monthly inspections, each substation is scheduled for a full shutdown and maintenance every

---

[10] Section 5.1.3 of the DSC & EB-2013-011: A distributor shall (a) install a MIST meter on any new installation that is forecast by the distributor to have a monthly average peak demand during a calendar year of over 50 kW; and (b) have until August 21, 2020 to install a MIST meter on any existing installation that has a monthly average peak demand during a calendar year of over 50 kW.

three years. Electrical testing and oil analysis is performed by a third party firm specializing in substation maintenance.

Asset Management

WNP uses a GSI system to store and maintain asset data including information obtained through the system patrols. In addition, the company also receives information from local residents and business owners who contact the company to report items that they have noticed, such as a damaged hydro pole. Such observations are usually received by a telephone call or e-mail which a Customer Service Representative (CSR) will create a work order for the Operations team who will then visit the location to assess the situation.

During patrols, maintenance activities and inspections, should a lineman identify a damaged asset, they note the location and asset identification (e.g. pole or transformer asset number) and liaise with the Senior Operations Technician. The Operations Technician will find the particular asset in the GIS system and retrieve the data (e.g. age, date last inspected) and collectively the Senior Operations Technician, Chief Executive Officer/President and Lead-Hand determine whether the asset needs to be replaced (or can it be monitored), and if so, when considering the following factors:

a) Safety – is there any risk to the public or workers (e.g. could a damaged pole break and fall);
b) Reliability and maintenance history – has the asset shown signs of deterioration or poor performance and is this degrading;
c) Obsolescence – is the asset dated and been replaced with a "better" product? For example replacing porcelain insulators with polymer insulators.
d) Cost versus benefit – is the asset already scheduled for replacement and included within WNP's CapEx plan? For example, a damaged pole may be repaired as a short-term fix because the pole is part of a pole-line replacement project that has already been planned.

The Operations team maintains a list of assets that are being monitored for performance degradation. It is the responsibility of the CEO/President to add asset replacement projects to the company's CapEx plan.

Overhead/Underground Lines Operation and Maintenance

Maintenance work performed outside of the capital budget accounts is captured through the operating and maintenance accounts. This work can be either planned or unplanned. Maintenance and operating budgets are typically prepared based on historical values. Regular system patrols identify potential problems allowing preparation and planning of repairs thereby minimizing or mitigating any impact to customers.

Operation and Engineering for Construction Services

This program involves connection requests from builders and developers for the design of distribution system capital projects, collection, analysis and allocation of materials, system planning, project planning and coordination and management of the distribution system design. It is also responsible for overall coordination of construction activities to enhance, modify and renew the distribution system in accordance to the capital plan.

Distribution Transformers

The distribution system consists of pad mount and pole mount transformers of applicable primary and secondary voltages and sizes. The majority of the transformers are 50kVa servicing a largely residential customer base.

WNP records all relevant information on its transformers at time of installation and stores the information in its GIS system. The data recorded includes but not limited to mount type, size, age, voltage, condition and location. Historically not all data was recorded however all data is currently being captured in new construction or replacements.

- **Transformer inspection -** WNP visually inspects transformers during system patrols. In addition to visual inspections WNP covers all of its transformers in its annual infra-red inspections. These inspections look for hot spots on the transformers and their primary/secondary connections.
- **Transformer Maintenance -** WNP performs maintenance on any transformers which are identified by either visual or infra-red inspection as needing work. This work may include replacement of connections if found to be hot, painting or replacement of unit if leaking.

Vegetation Management (Tree Trimming)

Vegetation and Right of Way control is required under the Minimum Inspection Requirements of the Distribution System Code and good utility practice. WNP has a relatively heavy mature tree cover where overhead hydro line are in the proximity to trees. Tree contact with energized lines can cause the following:

- Interruption of power due to short circuit to ground or between phases;
- Damage to conductors, hardware and pole;
- Danger to persons and property within the vicinity due to falling conductors, hardware, poles and trees; and
- Danger of electric shock potential from electricity energizing vegetation.

Care must be taken to balance the requirements of the customers and stakeholders and safe and reliable operation of the distribution system.

Line-clearing inspections have been incorporated into the other inspection programs included in this plan and additional checks are performed by work crews in the area in which regular work is performed. Depending on the size, shape and growth pattern of each tree species, the tree trimmers remove sufficient material from the tree to limit the possibility of contact during high wind situations. This work is primarily carried out by WNP employees, but contractors may be hired, based on cost and availability of resources.

Examples of WNP performing line clearance and vegetation inspections include, but not limited to:

- Monthly substation patrols at each of WNP’s stations with visual inspection looking for vegetation and growth interference (line or fence clearance); and
- In accordance with the WNP Procedures, annual line patrols including a visual inspection of conductors looking for leaning or broken “danger” trees; growth into line due to “climbing” plants; compromised accessibility; vines or bush growth interference (line clearance) or bird or animal nests.

WNP adheres to the ESA requirements for tree trimming using EUSA utility best practices. WNP does not perform tree removals. Townships are notified if there is a concern with a particular tree and the Township in involved in any decision regarding tree removal.

Poles, Towers and Fixtures

The WNP overhead distribution system is supported by primarily wood type poles. These poles are divided throughout the towns of Arthur, Holstein and Mount Forest.

System patrols, schedule pole inspections, age as well as local and regional planning activities are inputs to the pole replacement strategy forming WNP's capital plan and further detailed in the DSP Plan submitted with this rate application.

Health and Safety

WNP complies with the Occupational Health and Safety Act and Regulation for Construction Projects "the Green Book" as well as follows the EUSA rule book and Utility Best Practices.

Staff regularly attends various health and safety training events as well as completing mandated training.

WNP takes great pride in the fact that it has been 30 years plus without lost time due to injury. As per WNP's 2019 Scorecard regarding Operational Effectiveness – Safety with reference to "Component C – **Serious electrical incident index:"** during 2019, WNP had zero fatalities and zero serious incidents within its operating service area of the urban areas of Mount Forest, Arthur and Holstein (Component "C" consists of the number of serious electrical incidents, including fatalities, which occur within a utility's territory.)

WNP will continue its commitment to safety to protect the public and employees within the community it serves.

Executive, Financial, Legal, Professional and Insurance Services

The program includes costs such as legal and administrative costs incurred annually as part of the utility's business operations. These costs also include general account and audit costs. This program covers preparation of statutory, management and financial reporting; accounts payable and general accounting; treasury functions, including borrowing and cash management; financial risk management; accounting systems and internal control processes; preparation of consolidated budgets and forecasts; and tax compliance. The executive team is responsible for the decision making for all financial and non-financial aspects of the utility. This program also covers professional costs associated with Regulatory Affairs.

Post-Employment Costs

The cost of post-employment benefits is actuarially determined using the projected benefit method prorated based on existing employee data with assumptions that reflect management's best estimates.

AFE Actuarial Consulting completed an Actuarial Valuation Report of the plan obligation on November 27, 2017 that detailed the benefit expense for fiscal 2017 to 2019. At December 31 2019, the Prepaid Benefit Liability was $178,948 and the 2019 increase in the unamortized actuarial liability was $3,523.

AFE Actuarial Consulting completed an Actuarial Valuation Report of the plan obligation on February 28, 2020 that detailed the benefit expense for fiscal 2020 to 2022. At December 31 2020, the Prepaid Benefit Liability was $213,305 and the 2020 increase in the unamortized actuarial liability was $34,357.

As part of the settlement agreement during WNP's 2016 Cost of Service application (EB-2015-0110), only cash post-employment benefit costs were to be recorded as expenses and the accrual actuarial costs were to be tracked in a variance account until the OEB consultation on OPEBs was complete. The September 14, 2017 final report on EB-2015-0040 established the accrual method as the default method of tracking OPEB costs. WNP is proposing to revert to reporting accrual

OPEB expenses in OM&A.[11] The current OPEB expense is based on an estimate for the actuarial accrual amount based on the fact that WNPs OPEB expenses have increased.

A copy the actuarial valuation reports is provided in Appendix 4A.[12]

Procurement and Materials Management

Materials and equipment used in the construction and maintenance of the distribution system are stored in the WNP stockroom/warehouse or in the yard. All costs associated with receiving shipments, tracking inventory, and issuing materials to line crew contribute to this account. Inventory is maintained to facilitate repairs.

Office Buildings & Security Costs

WNP's main office with two small storage barns is located in Mount Forest with a secondary garage structure located in Arthur where the double bucket and pickup are stored for fast response in the Arthur area. The main office building is secured through manual keyed locks as well as a monitored alarm system. The yard is fenced, gated and locked after normal business hours. WNP also installed two security cameras that watch the fenced in yard and parking lot.

Building maintenance is completed internally or through subcontractors for items such as HVAC, lawn care, etc.

Information Systems, Operational Technology and Cyber-Security

In 2019, WNP completed a review of the current and future business requirements and priorities concerning utility's capital investment in Information Systems. The requirements include replacement of hardware assets that are reaching the end of their useful life; software where applications are becoming dated; office equipment (e.g. printers and telephones); the anticipated

---

[11] MFR - 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

[12] MFR - Most recent actuarial reports

needs of customers (e.g. ability to download usage history); compliance requirements (e.g. AODA[13] compliant website); and cyber-security investment over the next five year (2021-2025)

Summarized below is an overview of the current Information Systems (IS) infrastructure and Operations Technology (OT) in place at WNP.

- **Information System Technology:**

WNP retains the service of a local company to provide the required expertize for its' IS hardware and system networks. In the LDC's opinion, this relationship is effective and cost efficient solution while not having to have expense of maintaining a full-time IS resource. This cost effective relationship has enabled WNP to meet all required system changes and mandates quickly. WNP has met all regulatory or government mandates, within the required timelines (for instance, purchasing, installing and implementing Smart Meters across the LDC's service area; and, testing and implementation of a web-hosted solution for consumers to view their energy usage and bill payment history).

Cyber-Security:

The Ontario Cybersecurity Framework[14] is a requirement of all Ontario LDCs to provide the OEB with information pertaining to their Cybersecurity and Privacy Maturity implementations. This requirement includes a self-assessment tool directly mapped to privacy and cybersecurity controls, utilizing the NIST Framework for Improving Critical Infrastructure Cybersecurity, which in turn is used as a guide to create and enforce new policies and procedures, to ensure technological improvements via capital investments, and to ensure a continuous improvement path is in place.

WNP has embarked on a 5-year plan to meet all requirements and has made substantial headway in the first 3 covenants of the framework: Identify, Protect and Detect. First, WNP retained the services of a Cybersecurity consultant to evaluate current practice and infrastructure against the assessment tool, and to provide a path forward utilising the framework as the roadmap. Each

---

[13] Accessibility for Ontarians with Disability Act (AODA)
[14] "Ontario Cyber-Security Framework" (version 1.0), December 6, 2017

requirement was then mapped to specific framework-based actions and procedures, from policy to technology investments. These enhancements and investments include such things as:

- Senior Management Governance Policy and Support
- Complete mapping of all privacy related data, ensuring retention and protection is top of mind.
- Employee Training within Cybersecurity.
- Enhanced cyber protection agreements from anti-virus to malware to phishing protections, with full email based advanced threat protection capabilities.
- Full IT and OT inventory including network infrastructure documentation.
- Legacy equipment (Capitol) replaced with industry standard devices such as Firewalls, Switches and AP's, all providing cloud-based monitoring and detection capabilities.
- Physical Network segregation and Least Access Policies

To validate the work and investment to date, a 3rd party Cyber Audit was undertaken in 2017 and 2019. This intensive and expansive process was used to validate the many enhancements and to identify areas of potential improvement to further protect privacy, financial data, and in turn, shareholders and the cyber health of the company. From this audit, a multitude of software protection practices and protocols were implemented, substantially hardening the landscape cybersecurity footprint.

In keeping with the Cybersecurity Continuous Improvement mandate, WNP joined the IESO's Lighthouse project. This investment by WNP is in support of the CCA (Central Compliance Authority) as recommended by the governing board of the framework. This additional layer of protection also allows the reporting on the status of the framework implementation without sharing cyber security protection design. This additional layer was only possible with the capital investment in network hardware, the upgrading of legacy equipment to current levels.

The path forward will consist first of further refinement of the multitude of investments and procedures and will then move to the other two covenants of the framework, Respond and Recover. As these final two areas of the framework incorporate and leverage all prior investments, the solid base achieved to date will provides an exceptionally effective foundation to further enhance cyber-security and Privacy mandates, and will ensure a successful completion to the Ontario cyber-security Framework within the targeted timeframe.

- **Business Continuity:**

The goal of the business continuity and disaster recovery plan is to ensure immediate, secure and seamless access to company data and applications in the event of an emergency. Data and copies of software applications are stored in a back-up solution that is on the server as well as a cloud-based solution.

- **Information Systems – Strategy**

Information technology (IT) and (OT) expenditures ensure business goals are aligned to technological solutions as well as meeting privacy and cyber-security obligations. These expenditures include hardware, network infrastructure, switches, servers, equipment, workstations, tablets, laptops, printers, projectors, telephone and telecommunications, software, including licensing and web-based solutions. Ensuring business needs are met, including resiliency and redundant integration and secure solutions have been put in place, to safeguard business continuity and sustainability.

Technical solutions address redundancy, business continuity and security. The company's Information Technology capital expenditures will ensure business continuity and redundancy to meet customer needs.

WNP ensures technical solutions contribute to fulfilling the OEB's established utility performance outcomes:

- Customer Focus: Technical solutions are provided in a manner that responds to customer needs and preference (e.g. Access to consumption and usage information, account information, billing information and company contact information.)
- Operational Effectiveness: Continuous improvement in the delivery of safe reliable electricity to customers with secure controls in place to strive for compliance of the OEB's cyber-security framework.

- Public Policy Responsiveness: Current and future technical requirements are reviewed and solutions developed to meet all obligations mandated by the government. This includes protection of Personable Identifiable Information (PII) to meet privacy standards.
- Financial Performance: Financial viability is maintained to ensure ongoing operational effectiveness.

IS and OT lifecycle encompasses investigation, requirement review and documentation, development, testing and procedural workflow, followed by end-user acceptance testing and training of employees.

WNP's has included IS investment within its 5-year Capital Investment Plan (2016 to 2020), with the objective of addressing the following business and customer requirements:

- ✓ Software maintenance and upgrade to meet regulatory obligations, customer value and operational efficiencies;
- ✓ Website update to extend life and enhance customer accessibility and focus on customer requirements to obtain information and data securely whilst protecting PII details;
- ✓ Review and enhance WNP's Business Continuity, Disaster Recovery risk mitigation plan;
- ✓ Workstation / laptop renewal and replacement;
- ✓ Printer renewal and replacement to meet end of life cycle;
- ✓ SCADA and distribution system communication; and
- ✓ Security Audits to responsibly address technical risk associated with loss of data, cyber security, policy review and internal / vendor controls.

PUBLIC AND REGULATORY RESPONSIVENESS

Regulatory and Compliance

This program includes all costs incurred by WNP while complying with the OEB's evolving and changing regulatory framework. The workload in this program have continued to increase due to provincial policy initiatives that have been introduced. Some of the new policies and programs introduced since WNP's last Cost of Service application in 2016 include:

- ○ Introduction of OEB new / updated customer service rules.

  - The IESO's Industrial Conservation Initiative" with changed customer eligibility requirements as a result of ministerial directives.
  - Introduction of the Ontario Electricity Support Program.
  - Introduction of the Ontario Rebate for Electricity Consumers, now replaced by the Ontario Electricity Rebate.
  - AffordAbility Trust Fund™ (AFT).
  - Customer engagement requirements.
  - Major Event Day recording and reporting.
  - Introduction of the prohibition of disconnecting residential customer for non-payment during the winter introduced in February 2017.

Industry Membership Fees

WNP pays membership fees to specific companies to have the opportunity of being able to minimize cost through collaboration. WNP is a proud member of CHEC (Cornerstone Hydro Electric Concepts Inc.), EDA (Electricity Distributors Association) and USF (Utilities Standards Forum).

4.4 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION

Overview

WNP'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 and benefits package. WNP's workforce is comprised of only non-unionized employees.

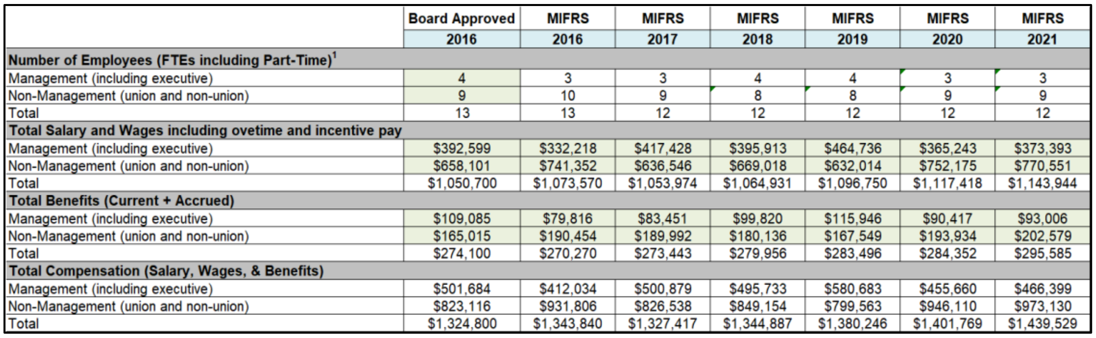
Staffing and Compensation

The number of employee's is based on the computation of the number of full-time equivalent (FTE) positions throughout each of the years. A position that was added in a particular calendar year is counted as a portion of an FTE in that calendar year based on the start date of the position.

The salaries and wages amounts include all salaries and wages paid, inclusive of overtime, vacations, holidays, sick leave, and bereavement leave. The benefits amount include the employer's portion of statutory benefits (CPP, EI and EHT), employer contributions to OMERS and WSIB and WNP's costs for providing extended health care, dental, long-term disability and life insurance for its employees.

The table below shows WNP' employee compensation from 2016 Board-Approved through to Test year 2021:

Table 16 - OEB Appendix 2-K – Employee Compensation[15]



	Board Approved	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
	2016	2016	2017	2018	2019	2020	2021
Number of Employees (FTEs including Part-Time)[1]							
Management (including executive)	4	3	3	4	4	3	3
Non-Management (union and non-union)	9	10	9	8	8	9	9
Total	13	13	12	12	12	12	12
Total Salary and Wages including ovetime and incentive pay							
Management (including executive)	$392,599	$332,218	$417,428	$395,913	$464,736	$365,243	$373,393
Non-Management (union and non-union)	$658,101	$741,352	$636,546	$669,018	$632,014	$752,175	$770,551
Total	$1,050,700	$1,073,570	$1,053,974	$1,064,931	$1,096,750	$1,117,418	$1,143,944
Total Benefits (Current + Accrued)							
Management (including executive)	$109,085	$79,816	$83,451	$99,820	$115,946	$90,417	$93,006
Non-Management (union and non-union)	$165,015	$190,454	$189,992	$180,136	$167,549	$193,934	$202,579
Total	$274,100	$270,270	$273,443	$279,956	$283,496	$284,352	$295,585
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	$501,684	$412,034	$500,879	$495,733	$580,683	$455,660	$466,399
Non-Management (union and non-union)	$823,116	$931,806	$826,538	$849,154	$799,563	$946,110	$973,130
Total	$1,324,800	$1,343,840	$1,327,417	$1,344,887	$1,380,246	$1,401,769	$1,439,529

Compensation – Union

WNP is a Non-Union company

Compensation

WNP is a Non-Union company. Employees' compensation levels are reviewed by the company's CEO/President and the Board of Directors. The change in compensation paid to employees in non-management and management positions are attributable to cost of living increase and a provision for benefit coverage. A percentage of the staff's annual salary is invested in a pension plan. WNP is bound by an "Employee Working Agreement" representing the interests of both administrative (inside) and trade (linemen) employees. A copy of the Employee Working Agreement can be found in Appendix B.[16] The utility negotiated a 3 year Employee Working Agreement in place, January 1, 2020. Wage increase were negotiated at 2% in Year 1, 2% in Year 2 and 1.75% in Year 3.

WNP is a member of CHEC (Cornerstone Hydro Electric Concepts) and participated in CHEC's 2020 wage & benefit analysis initiative. This initiative collates data concerning compensation trends for the CHEC LDC members and prepares a detailed report that has assisted WNP in benchmarking

---

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

[16] MFR - Description of previous and proposed workforce plans, including compensation strategy

both wages and benefits of the utility against similar sized LDCs. A copy of CHEC's "Wage and Benefit Analysis – 2020" report is included in Appendix C[17].

Pension

The employees of all LDCs participate in the OMERS retirement plan and therefore, the pension benefits provided to the employees of WNP are consistent with the pension benefits provided to employees of other LDCs.

Benefits

A comprehensive and competitive benefits package exists which includes health and dental insurance, long-term disability and leave policies. The plans are designed to address the health and well-being of employees.

OPEB costs are listed in the table below[18].

	Board Approved	2016	2017	2018	2019	2020	2021
OPEB	$12,568	$14,533	$19,712	$19,030	$12,976	$12,204	$20,000

---

[17] 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, inflation rates used for forecasts, and the plan for any new employees
- basis for performance pay, eligible employee groups, goals, measures, and review process for pay-for-performance plans,
- relevant studies (e.g. compensation benchmarking)

[18] MFR - Details of employee benefit programs including pensions, other post-employment retirement benefits (OPEBs), and other costs charged to OM&A. A breakdown of the pension and OPEBs amounts included in OM&A must be provided for the last OEB-approved rebasing application, and for historical, bridge and test years

The table below summarizes the yearly total employee benefit expenses for WNP from 2016 through until the Test Year 2021.

Table 17 - Benefit Expenses

	2016	*2017*	*2018*	*2019*	*2020*	*2021*
BENEFIT	**Actual**	**Actual**	**Actual**	**Actual**	**Bridge**	**Test**
Statutory						
CPP	32,021	30,972	32,394	31,576	34,509	36,221
EI	17,022	14,242	15,186	13,897	14,370	14,448
EHT	12,995	12,469	12,921	12,770	12,323	13,704
WSIB	9,745	9,760	10,253	10,912	8,952	9,281
Total Statutory	**71,783**	**67,443**	**70,753**	**69,156**	**70,154**	**73,654**
OMERS	103,352	104,863	106,334	109,103	107,424	115,882
Health & Life Insurance	90,873	96,770	98,059	100,320	102,475	106,050
Total Company	**194,226**	**201,633**	**204,393**	**209,423**	**209,899**	**221,932**
Total Benefits Costs	**266,009**	**269,076**	**275,147**	**278,579**	**280,053**	**295,585**

The table below shows WNP headcount for WNP from 2016 through until the Test Year 2021.

Table 18 – Headcount

Year		Opening Balance	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Ending Balances
2016	Exec	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	Mgmt	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Union		10	10	10	10	10	10	10	10	10	10	10	10	10	10
	Total	13	13	13	13	13	13	13	13	13	13	13	13	13	13

Year		Opening Balance	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Ending Balances
2017	Exec	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	Mgmt	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Union		10	10	10	10	9	9	9	9	9	9	9	9	9	9
	Total	13	13	13	13	12	12	12	12	12	12	12	12	12	12

Year		Opening Balance	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Ending Balances
2018	Exec	2	2	2	2	2	1	1	1	1	1	1	1	1	1
	Mgmt	1	1	1	1	1	2	2	3	3	3	3	3	3	3
	Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Union		9	9	9	10	8	8	8	8	8	8	8	8	8	8
	Total	12	12	12	13	11	11	11	12	12	12	12	12	12	12

Year		Opening Balance	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Ending Balances
2019	Exec	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Mgmt	3	3	3	3	3	3	3	3	3	3	3	3	3	3
	Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Union		8	8	8	8	8	8	8	8	8	7	7	7	8	8
	Total	12	12	12	12	12	12	12	12	12	11	11	11	12	12

Year		Opening Balance	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Ending Balances
2020	Exec	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Mgmt	3	2	2	2	2	2	2	2	2	2	2	2	2	2
	Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Union		8	9	9	9	9	9	9	9	9	9	9	9	9	9
	Total	12	12	12	12	12	12	12	12	12	12	12	12	12	12

Year		Opening Balance	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Ending Balances
2021	Exec	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Mgmt	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	Union	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non Union		9	9	9	9	9	9	9	9	9	9	9	9	9	9
	Total	12	12	12	12	12	12	12	12	12	12	12	12	12	12

Employee Staffing Levels

As discussed in the description of the Corporate Organization in Exhibit 1, WNP has 12 full time employees:

- A Chief Executive Officer (CEO)/President
- A Field Lead-hand
- 3 Linesmen
- Senior Operations Technician
- A Finance Manager
- A Financial Analyst
- A Manager of Customer Service & Regulatory Affairs
- A Senior Customer Service Representative
- A Customer Service & Collections Representative
- An Operations Coordinator

Changes in Staff Levels

In April 2017 WNP had a Customer Service & Collections Representative take Maternity Leave, after much discussion it was decided that this position would not be back-filled. This employee returned back to work in March 2018, however left the company in June 2018 to pursue another job.

In April 2018 The Operations Technician resigned from WNP. This position was changed to a Manager of Operations and was filled in July 2018. However, after a restructure in January of 2020 this employee moved into the position of Senior Operations Technician. As well, in April 2018 WNP had another Customer Service & Collections Representative take Maternity Leave. This leave was back-filled by a Temporary Contractor in June 2018 until August 2019 with the employee on Maternity Leave returning in January 2020.

May 2018 WNP went through a restructure that saw the appointment of the CEO/President, a Finance Manager and a Manager of Customer Service & Regulatory Affairs, thus removing the positions of CAO, COO, Finance/Regulatory Supervisor and Customer Service Supervisor.

There are no anticipated staffing increases or decreases for 2020 Bridge Year or 2021 Test Year.

4.5 SHARED SERVICES & CORPORATE COST ALLOCATION

WNP is not an affiliated company and does not provide or receive any services from an affiliate. WNP therefore has no information for this section.[19][20][21][22][23]

---

[19] MFR – N/A Identification of all shared services among affiliates and parent company; identification of the extent to which the applicant is a "virtual utility"

[20] MFR – N/A Allocation methodology for corporate and shared services, pricing methodology, list of costs and allocators, including any third-party review

[21] MFR – N/A Completed Appendix 2-N for service provided or received for historical, bridge and test; including reconciliation with revenue included in Other Revenue

[22] MFR – N/A Shared Service and Corporate Cost Variance analysis - test year vs last OEB approved and test year vs most recent actual

[23] MFR – N/A Identification of any Board of Director costs for affiliates included in LDC costs

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

4.6.1 NON-AFFILIATE SERVICES

WNP purchases equipment, materials, and services in a cost effective manner with full consideration given to price as well as product quality, the ability to deliver on time, reliability, compliance with engineering specifications and quality of service. In making decisions, WNP also considers the "total acquisition cost" (i.e. value for money) rather than the lowest bid, and this includes, but limited to such factors as repairs, staff training, compatibility, warranty, trade-in values, recycling and safe environmental disposal.

Vendors are screened to ensure knowledge, reputation, and the capability to meet WNP's needs. The procurement of goods and/or services for WNP is carried out with the highest of ethical standards and consideration to the public nature of the expenditures. WNP has a Purchasing and Procurement Policy (Corporate Services Policy #13) that the company adheres to and a copy of this policy is contained in Appendix 4D.[24]

All purchases of goods and services must be approved by the Board of Directors of WNP as presented in the annual Operating (OpEx) and Capital Investment (CapEx) budgets. Formal Board of Director's approval of the annual OpEx and CapEx budgets constitutes financial approval to proceed with the procurement process. Budget amendments, capital expenditures not yet approved in the budget or special expenditures must be supported by a Resolution signed by two (2) Board of Directors. The Resolution shall specify the purpose of the expenditure and the funding source.

When goods or services are tendered, a Tender/Request for Proposal or a Request for a Quote will be issued to a minimum of three (3) vendors, if availability permits. The CEO/President

---

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

together with a Resolution from the Board of Directors shall authorize the acceptance of the proposals.[25]

Below is a list of vendors the utility uses:

---

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

Table 19 - Vendor List

Vendor	Service / Product	Dept
3M CANADA	Office Supplies	Administration
ACTON PRECAST CONCRETE	Inventory	Operations
ADVANCED ELECTRIC	Service	Operations
AEGISYS 1468625 ONT LTD.	System Backup	Administration
AESI ACUMEN ENG SOLUTIONS	Engineering	Operations
AFE ACTUARIAL CONSULTING	Service	Administration
AGO INDUSTRIES INC.	Safety Supplies/Training	Operations
ALTEC INDUSTRIES LTD.	Service	Operations
ANDY'S LOCK SERVICE INC.	Shop Supplies	Operations
ANIXTER POWER SOLUTIONS	Inventory	Operations
APC MOUNT FOREST	Inventory	Operations
ARBRO CONCRETE FORMING	Service	Operations
ARTHUR AGRICULTURAL SOCIETY	CDM	Administration
ARTHUR AREA FIRE DEPARTMENT	Training	Operations
ARTHUR CHAMBER OF COMMERC	Membership	Administration
ARTHUR CHRYSLER PLYMOUTH	Service	Operations
ARTHUR HOME HARDWARE	Shop Supplies	Operations
ASTLEY GILBERT	Office Equipment	Administration
ATLAS-APEX ROOFING (KITCHENER) INC.	Service	Operations
ATWORK OFFICE INTERIORS	Office Equipment	Administration
B.HUCK ENTERPRISE	Service	Operations
BACKSPACE COMPUTER	IT Services	Administration
BARCON CONSULTING	Consultant	Administration
BEL VOLT SALES LTD.	Inventory	Operations
BELL CANADA - PHONES	Communications	Administration
BELL CANADA - POLE RENTALS	Communications	Administration
BELL CONFERENCING INC	Communications	Administration
BELL MOBILITY	Communications	Administration
BELL MOBILITY PAGING	Communications	Administration
BERRN CONSULTING LTD	Office Supplies	Administration
BEST PRACTICE & SAFETY COMPLIANCE LTD	Safety Supplies/Training	Operations
BLACK & MCDONALD LTD.	Consultant	Operations
BLUE ARC ELECTRICAL SAFETY TECHNOLOGIES INC.	Safety Supplies/Training	Operations
BM ROSS & ASSOCIATES LTD	Consultant	Operations
BORDEN LADNER GERVAIS LLP	Lawyer	Administration
BROADLINE EQUIP RENTAL	Service	Operations
BRENT D RAWN ELECTRIC	Service	Operations
BRIWARE SOLUTIONS INC	Consultant	Administration
BURLINGTON BUSINESS FORMS	Office Supplies	Administration
BURMAN ENERGY CONSULTANTS	Consultant	Administration
C.D. NOV-TECH INC.	Inventory	Operations
C.H.E.C	Membership	Administration
CABLE MASTER INC.	Inventory	Operations
CAM TRAN CO. LTD.	Inventory	Operations
CANADA POST CORPORATION	Office Supplies	Administration
CANADIAN CYBER THREAT EXCHANGE	IT Services	Administration
CANADIAN TIRE #066	Shop Supplies	Operations
CANSEL SURVEY EQUIPMENT INC.	Shop Supplies	Operations
CARQUEST OF ARTHUR	Shop Supplies	Operations
CEDAR CREEK TOOLS	Shop Supplies	Operations
CG POWER SYSTEMS USA INC	Inventory	Operations
CHAMBER OF COMMERCE	Membership	Administration
CIMA CANADA INC.	Consultant	Operations
COMMERCIAL TRUCK EQUIPMENT CORP	Safety Supplies/Training	Operations
COMMUNITY RESOURCE CENTRE	Office Supplies	Administration
COSTELLO ASSOCIATES INC	Consultant	Administration
COUNTRY STYLE BBQ & CATERING	Office Supplies	Administration
COUNTRY CREATIONS	Office Supplies	Administration
COUNTY OF WELLINGTON	Office Supplies	Administration
COWAN INSURANCE GROUP	Insurance	Administration
DAVID HAWKINS LINE SERVIC	Service	Operations
DAVID MCPHEE LAWN CARE	Shop Supplies	Operations
DELUXE	Office Supplies	Administration
DEVERELL & LEMAICH LLP	Lawyer	Administration
DEWAR SERVICES	Service	Operations
DIGITAL BOUNDARY GROUP	Service	Administration
DINGWALL ELECTRIC	Service	Operations
DM CONTRACTING	Office Supplies	Administration
DUNCAN INSTRUMENTS CANADA LTD	Inventory	Operations
DYNAMIC CONSULTING	Consultant	Administration
EASTERN OVERHEAD DOORS (BRUCE-GREY)	Service	Operations
EATON INDUSTRIES	Service	Operations
ECREW	Communications	Administration
ELECTRICAL SAFETY AUTHORI	Membership	Operations
ELECTRICITY DIST. ASSOC.	Membership	Operations
ELECTRICITY SAFETY & CONSERVATION	Safety Supplies/Training	Administration
ELSTER CANADIAN METER	Inventory	Operations
ENGLOBE CORP	Service	Operations
ENERGY PROBE RESEARCH	Intervenor	Administration
ERTH BUSINESS TECHNOLOGIES-Toronto	Retailer	Administration
ERTH HOLDINGS INC - Ingersoll	Retailer	Administration
ESRI CANADA LIMITED	System Maintenance	Operations
EWORKPLACE TRAINING	Safety Supplies/Training	Operations
EULER HERMES ACI	Insurance	Administration
EXCEL BUSINESS SYSTEMS	Office Supplies	Administration
EXTEND COMMUNICATIONS	Communications	Administration
FOSTER SEWER SERVICE	Service	Operations
FREY COMMUNICATIONS	IT Services	Administration
G&H SMALL ENGINE	Service	Operations
G&W CANADA CORP	Inventory	Operations
GEORGIAN BAY DIST - EDA	Membership	Administration
GFTEC CONTROLS	Inventory	Operations
GO GLASS & ACCESSORIES	Service	Operations
GORD DAVENPORTS AUTOMOTIV	Shop Supplies	Operations
GREEN SAVER	CDM	Administration
GREEN-PORT ENVIRONMENTAL	Service	Operations
GRIMSBY POWER	Service	Operations
GUELPH UTILITY POLE CO.	Inventory	Operations
HARRIS COMPUTER SYSTEMS	System Maintenance	Administration
HARRIS UTILITY USER GROUP	Membership	Administration
HEALTHY TEENS MAGAZINE	Office Supplies	Administration
HURON GEOMATICS INC.	Service	Operations
HYDRO ONE	Cost of Power	Administration
HYDRO OTTAWA	Service	Operations
IBBOTSON ELECTRIC LTD	Shop Supplies	Operations
IDEAL SUPPLY COMPANY LTD.	Shop Supplies	Operations
INDEPENDENT ELECTRICITY SYSTEM OPERATOR	Cost of Power	Administration
INFORMATION NETWORK SYSTE	Office Supplies	Administration
INFRARED THERMOGRAPHIC	Service	Operations
INFRASTRUCTURE HEALTH & SAFETY ASSOCIATION	Safety Supplies/Training	Operations
INTERNATIONAL TRADE	Office Supplies	Administration
J.D.MCARTHUR TIRE SERVICE	Service	Operations
J.J. MCLELLAN & SON	Service	Operations
JAMES MEYER	Service	Operations
JARDINE LLOYD THOMPSON CA	Insurance	Administration
JUBB UTILITY SUPPLY LTD	Inventory	Operations
KA FACTOR GROUP INC.	Inventory	Operations
KEY2ACT	Service	Administration
KINECTRICS INC	Service	Operations
KPMG LLP	Consultant	Administration
KURT PENWARDEN TREE SERVICES	Service	Operations
LABELLE FLOWERS	Office Supplies	Administration
LANGE BROS (TAVISTOCK) LTD	Service	Operations
LARRY HUDSON CHEVROLET BUICK GMC	Service	Operations
LAPRAIRIE INC	Inventory	Operations
LENOVO (CANADA) INC.	System Maintenance	Administration
LINEMAN'S TESTING	Safety Supplies/Training	Operations
LINESTAR UTILITY SUPPLY ONTARIO	Inventory	Operations
LONDON HYDRO	Service	Operations
LOUGHRAN ELECTRIC	Service	Operations
LORIS TECHNOLOGIES INC	System Maintenance	Administration
MACDONALD'S HOME APPLIANC	Office Supplies	Administration
MAPLE LANE FARM SERVICE	Service	Operations
MARCC APPAREL & PROMOTION	CDM	Administration
MARTIN'S TLC	Shop Supplies	Operations
MEARIE EMPLOYEE BENEFITS	Benefits	Administration
MEARIE LIABILITY PREMIUM	Insurance	Administration
MEARIE MANAGEMENT INC	Safety Supplies/Training	Administration
MESURINA LTD	Inventory	Operations
MICROAGE BASICS	Office Supplies	Administration
MILLWORKS MFG. LTD.	Safety Supplies/Training	Operations
MINISTER OF FINANCE - PILS	Taxes	Administration
MINISTRY OF FINANCE - EHT	Payroll Remittance	Administration
MOUNT FOREST AG SOCIETY	CDM	Administration
MOUNT FOREST CONFEDERATE	Office Supplies	Administration
MOUNT FOREST MIRROR	Office Supplies	Administration
MOUNT FOREST MOTORS LTD	Service	Operations
MOUNT FOREST TRUCK CENTRE	Service	Operations
MRC SYSTEMS	System Maintenance	Operations
MT. FOREST FIREHALL COMMUNITY ROOM	Safety Supplies/Training	Administration
MURRAY GROUP LIMITED, THE	Service	Operations
NEOPOST	Office Supplies	Administration
NORAMCO ELECTRICAL	Inventory	Operations
NORTH WELLINGTON CO-OP	Shop Supplies	Operations
NORTHERN TRANSFORMER	Inventory	Operations
OFFICER'S AUTO CARE INC.	Service	Operations
OMERS, ONT MUNICIPAL EMP.	Payroll Remittance	Administration

Vendor	Service / Product	Dept
ONT.ELECTRICITY FIN-DEBT RETIREMENT	Remittance	Administration
ONTARIO MUNICIPAL HOCKEY TOURNAMENT	Office Supplies	Administration
ONTARIO ENERGY BOARD	Membership	Administration
ONTARIO ONE CALL	Service	Operations
ORANGEVILLE FIRE EQUIPMENT FIRST AID & SAFETY	Safety Supplies/Training	Operations
OWL-LITE CONSTRUCTION	Safety Supplies/Training	Operations
PACKETWORKS	Communications	Administration
PETRO-CANADA SUPERPASS	Shop Supplies	Operations
PETTY CASH	Office Supplies	Administration
PLANVIEW UTILITY SERVICES LTD	Service	Operations
POLUX	Inventory	Operations
POSI-PLUS ONTARIO INC	Service	Operations
POSTAGE-ON-CALL 36327486	Office Supplies	Administration
PRINT ONE	Office Supplies	Administration
PRYDE TRUCK SERVICE LTD	Service	Operations
PUBLIC INTEREST ADVOCACY	Intervenor	Administration
PUROLATOR COURIER	Office Supplies	Administration
RANDY'S LOCK-SAFE & ALARM	Service	Operations
RECEIVER GENERAL (H.S.T.)	Remittance	Administration
RECEIVER GENERAL-PAYROLL	Payroll Remittance	Administration
RECORD TEL INC.	Communications	Administration
REDHEAD MEDIA SOLUTIONS INC.	Communications	Administration
REEVES CONSTRUCTION	Service	Operations
RESOURCE SOFTWARE INTERNATIONAL	System Maintenance	Administration
RLB CHARTERED PROFESSIONAL ACCOUNTANTS	Consultant	Administration
ROB SCHMIDT	Meter Reader	Operations
ROBERTS FARM EQUIPMENT	Service	Operations
ROBERTSON LANDSCAPING	Service	Operations
RODAN ENERGY SOLUTIONS IN	Service	Operations
ROGERS WIRELESS	Communications	Administration
RUNNING TIDE INC.	Service	Administration
RURAL RESCUE FIRST AID TRAINING	Safety Supplies/Training	Operations
S&C ELECTRIC CANADA	Inventory	Operations
SANDRA WALLACE	Safety Supplies/Training	Administration
SAVAGE DATA SYSTEMS	Meter Reading	Operations
SCHOOLEY MITCHELL TELECOM CONSULTANTS	Communications	Administration
SECURTEK-A SASKTEL COMPAN	System Maintenance	Operations
SHEPHERD UTILITY EQUIP.	Inventory	Operations
SHRED ALL LTD	Office Supplies	Administration
SIGN MATTERS	Office Supplies	Operations
SOLIDCAD SOLUTIONS	System Maintenance	Operations
SOMMERS GENERATOR SYSTEMS	Service	Operations
SPECTRUM COMMUNICATIONS LTD	Communications	Administration
STANTEC	Service	Operations
STAPLES/BUSINESS DEPOT	Office Supplies	Administration
STAYNER RENTAL LTD	Service	Operations
STEVE CLOSE REFRIGERATION	Service	Operations
STREAMLINE AUTO BODY	Service	Operations
STUTZ BROWN & SELF	Lawyer	Administration
SUPERIOR TIRE SALE & SERV	Service	Operations
SUPREME MOBILE WASH	Service	Operations
SURVALENT TECHNOLOGY	System Maintenance	Operations
SWAN DUST CONTROL	Service	Administration
TD-VISA	Office Supplies	Administration
TELIZON INC	Communications	Administration
THE SHREDDING STORE	Office Supplies	Administration
THOMSON REUTERS	Office Supplies	Administration
TOM SHUPE PLBG & HTG LTD	Service	Operations
TSC STORES	Shop Supplies	Operations
TWP OF WELLINGTON NORTH	Water & Sewer	Administration
UNION GAS LIMITED	Utilities	Operations
UNITED WAY OF BRUCE GREY	Office Supplies	Administration
UTIL-ASSIST	Service	Operations
UTILISMART CORPORATION	Service	Administration
UTILITIES STANDARDS FORUM	Membership	Administration
WAVERUNNER COMMUNICATIONS	Inventory	Operations
WEBER SUPPLY	Inventory	Operations
WELLINGTON ADVERTISER	Office Supplies	Administration
WELLINGTON NORTH MACHINE	Service	Operations
WELLINGTON NORTH POWER	Utilities	Operations
WIGHTMAN INTERNET	Communications	Administration
WILSON-FORD SURVEYING & ENGINEERING	Service	Operations
WORKER'S COMPENSATION BD.	Payroll Remittance	Administration
WW ELECTRIC	Service	Operations
YAKE ELECTRIC LTD	Service	Operations
YOUNG'S HOME HDWRE BLDG	Shop Supplies	Operations

4.6.2 ONE TIME COSTS

There is only one noteworthy one-time cost that, in WNP's opinion, requires an explanation which are the costs associated with the herein 2021 Cost of Service application. In compliance with policy and requirements, the costs are being amortized over a period of 5 years. Regulatory Costs, which are explained in detail in the next section, include costs related to the Distribution System Plan and provisions for a Settlement hearing. These costs apply to the 2021 Test Year. [26]

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

4.6.3 REGULATORY COSTS

WNP's Regulatory Costs include two major components:

- Costs related to the filing of the herein application and;
- OEB assessment costs and Cost Awards as determined by the OEB.

The costs related to Cost of Service application include costs of having a third-party perform an Asset Condition Assessment study for all WNP's major assets to be used as evidence in the utility's 2020 Distribution System Plan (DSP); a third-party to review the DSP that WNP staff have meticulously prepared according to the OEB's Chapter 5 Filing Requirements; legal review by an appointed Legal Counsel; a rate consultant to assist with navigating through the necessary filing requirements. The regulatory costs proposed in this application also include provisions for legal fees related to a Settlement Conference (assuming a 2-day event) and includes a provision for up to two interveners. The utility proposes to remove or reduce these anticipated costs if these assumptions are proved to be incorrect.

---

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

The table below summarizes the regulatory costs specifically related to the 2021 Cots of Service application:

Table 20 - Regulatory Costs specific to the 2021 Cost of Service

	2021
Kinectrics – DSP Review	$25,000
Kinectrics – Asset Condition Assessment	$27,000
Legal Counsel	$27,000
Rate Consultant	$17,000
Production of DSP, Application & Submission – WNP labour to prepare application	$25,000
Reply to Interrogatories – WNP labour	$5,000
Public Notice – newspaper print	$700
Customer Notice – bill inserts	$350
Settlement – assuming 2 day conference	$15,000
Intervenor and OEB costs – assuming 2 intervenors	$35,000
Total Cost	**$160,050**
Total Cost over 5 years	**$32,010**

All regulatory costs listed above are tracked in account 5655 – Regulatory Expenses. Costs directly associated with the Cost of Service application are amortized over a period of 5 years (2021-2025).[27]

The table on the following page details the regulatory costs for five historical years, Bridge Year (2020) and Test Year (2021).[28]

---

[27] 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.

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

Table 21 – OEB Appendix 2-M Regulatory Costs[29]

Regulatory Cost Category		USoA Account	USoA Account Balance	Ongoing or One-time Cost?	Last Rebasing Year Board Approved	2016	2017	2018	2019	2020	2021
1	OEB Annual Assessment	5655		On-Going	$ 16,500	$ 17,409	$ 17,067	$ 16,764	$ 16,826	$ 17,000	$ 17,000
2	OEB Section 30 Costs (Applicant-originated)	5655		On-Going	$ 10,000	$ 6,478	$ 10,582	$ 11,842	$ 12,924	$ 12,000	$ 11,500
3	OEB Section 30 Costs (OEB-initiated)	5655		On-Going	$ 3,600	$ 1,836	$ 4,053	$ 5,920	$ 5,297	$ 4,500	$ 4,000
4	Expert Witness costs for regulatory matters	5655									
5	Legal costs for regulatory matters	5655		On-Going	$ 7,088	$ 5,477	$ 5,477	$ 5,477	$ 5,477	$ 5,477	
6	Consultants' costs for regulatory matters	5655		On-Going	$ 1,099						
7	Operating expenses associated with staff resources allocated to regulatory matters	5655		On-Going	$ 47,744	$ 50,125	$ 45,298	$ 76,521	$ 83,733	$ 83,523	$ 83,500
8	Operating expenses associated with other resources allocated to regulatory matters	5655		On-Going	$ 2,000		$ 3,171	$ 3,958			
9	Other regulatory agency fees or assessments										
10	Any other costs for regulatory matters (please define)	5655		On-Going	$ 10,000	$ 9,700	$ 9,850	$ 9,900	$ 9,432	$ 10,300	$ 10,500
11	Incremental operating expenses associated with other resources allocated to this application. [1]	5655		On-Going	$ 30,429	$ 29,445	$ 27,098	$ 27,098	$ 27,098	$ 27,098	$ 32,010
12	Sub-total - One-time Costs		$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -
13	Sub-total - Ongoing Costs		$ -		$ 128,460	$ 120,470	$ 122,596	$ 157,480	$ 160,787	$ 159,898	$ 158,510
14	Total		$ -		$ 128,460	$ 120,470	$ 122,596	$ 157,480	$ 160,787	$ 159,898	$ 158,510

---

[29] MFR - Completed Appendix 2-M

4.7 LEAP, CHARTIABLE & POLITICAL DONATIONS

WNP has included $3,500 for the Low-Income Assistance Program (LEAP) under Deductions Donation Expense-LEAP (USoA #6205). This amount is based on the Board's determination that the greater amount of 0.12% of a distributor's Board-approved distribution revenue requirement or $2,000 should be included in the utility's costs.

WNP has partnered with United Way of Grey Bruce and Community Resource Centre of North and Centre Wellington to assist in programs intended to provide emergency relief to eligible low-income customers who may be experiencing difficulty paying current arrears.

In compliance with OEB policy, Wellington North Power Inc.:

1. Collects money from ratepayers for LEAP EFA in the amount approved by the OEB;
2. Transfers program funds to United Way of Grey Bruce and Community Resource Centre of North and Centre Wellington;
3. Determines funding allocations within their service territory by geography;
4. Establishes partnerships, contracts, and operational procedures with United Way of Grey Bruce and Community Resource Centre of North and Centre Wellington;
5. Receives, recording and taking appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) that an assessment of eligibility is being undertaken;
6. Receives, recording and taking appropriate action upon notification from an Intake Agency (or Lead Agency as appropriate) of decisions on applications;
7. Confirms customer and account information used in determining program eligibility, including information on payment history; and
8. Submits annual RRR filings (2.1.16) to the OEB in accordance with the regulator's reporting requirements advising of whether the social agencies have fully depleted their LEAP funds.

WNP has included the projected LEAP balance in its' 2021 Revenue Requirement.

Reports to the OEB in accordance with OEB reporting requirements through filings 2.1.16 which are presented in the table below.

Table 22 – 2016-2019 LEAP funding as per RRR 2.1.16

Year	LEAP fund from Distributor	Unused Funds from Prior Years	Agency administration and program delivery	Grants to distributor customers	Total grants disbursed	Total funds disbursed	Customer	Avg. grant per accepted applicant
2016	$2,909.31	$0.00	$422.91	$2,396.50	$2,396.50	$2,819.41	8	$299.56
2017	$3,203.01	$89.90	$465.61	$2,827.30	$2,827.30	$3,292.91	8	$353..41
2018	$3,246.92	0.00	$471.99	$2,674.60	$2,674.60	$3,146.59	6	$455.77
2019	$3,270.21	$100.33	$475.00	$2694.00	$2694.00	$3169.00	6	$449.00

WNP confirms. as attested in the utility's financial accounts, that the LDC does not contribute to charitable or political causes, other than for LEAP funding. Also, WNP confirms that no charitable donations have been included in OM&A expenses for Test Year 2021 other than the $2,000 for LEAP funding. [30][31][32]

---

[30] 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

[31] MFR - Detailed information for all contributions that are claimed for recovery

[32] 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 FILING REQUIRMENTS APPLICABLE TO WNP

The following section confirms that applicable depreciation requirements for WNP.

Appendix 2-BA - Fixed Asset Schedule

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

WNP confirms that Appendix 2-BA - Fixed Asset Schedule has been completed under MIFRS for 2016-2021. Continuity Statements of the Fixed Asset Schedule are presented on the Exhibit 2.1.4 and are filed in Excel format along with this application.

This provides four years of historical actuals in addition to the Bridge and Test years as required. All transition schedules required for the change from CGAAP to MIFRS were filed in the 2016 COS. In addition, WNP did not elect to use 1575 or 1576 to revalue assets. When converting to MIFRS in 2015, WNP used the opening Net Book Value at Jan 1, 2014 as the opening value for all assets.

4.8.2 DEPRECIATION RATES AND METHODOLOGY

In accordance with the July 17, 2012, letter from the Board on Regulatory accounting policy direction regarding changes to depreciation expense and capitalization policies and as such, WNP adopted a range of the Kinectrics proposed useful lives and componentization on January 1, 2013. [33][34] This was in place before WNPs 2016 Cost of Service application (EB-2015-0110).

WNP confirms that Appendix 2-C – Depreciation and Amortization Expense in the OEB's Chapter 2 Appendix workform has been completed under MIFRS for year 2016-2021. Continuity Statements of the historical and forecasted depreciation expenses are presented on the next pages and are filed in Excel format along with this application.[35]

---

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

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

[35] 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 23 – 2016 Depreciation Expense

2016		Book Values							Service Lives				Depreciation Expense					
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	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	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]
		a	b	c = a-b	d	e	f = d- e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1609	Capital Contributions Paid	$ -	$ -	$ -	$ -		$ -	$ 838,765	25.00	4.00%	25.00	4.00%	$ -	$ -	$ 16,775	$ 16,775	$ 16,775	-$ 0
1611	Computer Software (Formally known as Account 1925)	$ 236,661	$ 211,456	$ 25,205	$ 32,964	$0	$ 32,964	$ 68,353	2.70	37.04%	5.00	20.00%	$ 9,335	$ 6,593	$ 6,835	$ 22,763	$ 23,901	$ 1,137
1612	Land Rights (Formally known as Account 1906)	$ 19,240	$ -	$ 19,240	$9,411		$ 9,411	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 41,988	$ -	$ 41,988		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings & Fixtures - MF Building	$ 176,972		$ 176,972	$ 35,510	$0	$ 35,510	$ -	34.50	2.90%	60.00	1.67%	$ 5,130	$ 592	$ -	$ 5,721	$ 4,427	-$ 1,294
1808	Buildings & Fixtures - MF Fence/Parking/Roof	$ 34,682	$ -	$ 34,682	$4,250	$0	$ 4,250	$ -	20.50	4.88%	25.00	4.00%	$ 1,692	$ 170	$ -	$ 1,862	$ 1,865	$ 3
1808	Buildings & Fixtures - MF Fixture/Flooring	$ 15,884	$ -	$ 15,884	$ 36,701		$ 36,701	$ -	8.50	11.76%	15.00	6.67%	$ 1,869	$ 2,447	$ -	$ 4,315	$ 4,299	-$ 16
1808	Buildings & Fixtures - MF HVAC/Plumbing/Comm	$ 17,683	$ -	$ 17,683	$ 3,597	$0	$ 3,597	$ -	11.60	8.62%	15.00	6.67%	$ 1,524	$ 240	$ -	$ 1,764	$ 1,756	-$ 8
1808	Buildings & Fixtures - AR Building	$ 3,421	$ -	$ 3,421		$0	$ -	$ -	45.50	2.20%	60.00	1.67%	$ 75	$ -	$ -	$ 75	$ 58	-$ 18
1808	Buildings & Fixtures - AR Fence/Parking/Roof	$ 10,882	$ -	$ 10,882		$0	$ -	$ -	21.00	4.76%	25.00	4.00%	$ 518	$ -	$ -	$ 518	$ 518	$ 0
1808	Buildings & Fixtures - E.S. Shed Building	$ 32,500	$ -	$ 32,500		$0	$ -	$ -	49.50	2.02%	60.00	1.67%	$ 657	$ -	$ -	$ 657	$ 616	-$ 41
1808	Buildings & Fixtures - E.S. Shed Fixture/Flooring	$ 2,169	$ -	$ 2,169		$0	$ -	$ -	4.00	25.00%	15.00	6.67%	$ 542	$ -	$ -	$ 542	$ 542	$ 0
1808	Buildings & Fixtures - E.S. Shed Fence/Parking/Roof	$ 1,067	$ -	$ 1,067		$0	$ -	$ -	15.00	6.67%	25.00	4.00%	$ 71	$ -	$ -	$ 71	$ 71	$ 0
1808	Buildings & Fixtures - W.S. Shed	$ -	$ -	$ -		$0	$ -	$ -	60.00	1.67%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Sub Stations Power - Overall	$ 166,847	$ 1,459	$ 165,388	$598,276	$0	$ 598,276	$ -	33.00	3.03%	45.00	2.22%	$ 5,012	$ 13,295	$ -	$ 18,307	$ 18,296	-$ 11
1820	Sub Stations Power - Bushing	$ 10,876	$ -	$ 10,876		$0	$ -	$ 16,593	16.00	6.25%	20.00	5.00%	$ 680	$ -	$ 415	$ 1,095	$ 1,095	$ 0
1820	Sub Stations Power - Tap Changer	$ 32,006	$ -	$ 32,006		$0	$ -	$ -	15.50	6.45%	30.00	3.33%	$ 2,065	$ -	$ -	$ 2,065	$ 2,097	$ 32
1820	Sub Stations Switchgear - Overall	$ 106,833	$ -	$ 106,833	$ 264,451	$0	$ 264,451	$ -	24.00	4.17%	40.00	2.50%	$ 4,451	$ 6,611	$ -	$ 11,063	$ 11,015	-$ 48
1820	Sub Stations - Station Switch	$ 35,228	$ -	$ 35,228	$ 248,194	$0	$ 248,194	$ -	32.00	3.13%	50.00	2.00%	$ 1,101	$ 4,964	$ -	$ 6,065	$ 6,080	$ 15
1820	Sub Stations - Rigid Busbars	$ 17,731	$ -	$ 17,731		$0	$ -	$ -	41.00	2.44%	55.00	1.82%	$ 432	$ -	$ -	$ 432	$ 423	-$ 10
1820	Sub Stations - Steel Structure	$ 17,614	$ -	$ 17,614	$ 43,889	$0	$ 43,889	$ -	34.50	2.90%	50.00	2.00%	$ 511	$ 878	$ -	$ 1,388	$ 1,386	-$ 2
1820	Sub Stations - Fence	$ 13,631	$ -	$ 13,631	$ 51,712		$ 51,712	$ -	15.00	6.67%	20.00	5.00%	$ 909	$ 2,586	$ -	$ 3,494	$ 3,230	-$ 264
1825	Storage Battery Equipment	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles Towers & Fixtures - Wood	$ 1,816,106	$ 2,791	$ 1,813,315	$ 301,141	$0	$ 301,141	$ 226,512	37.00	2.70%	45.00	2.22%	$ 49,009	$ 6,692	$ 2,517	$ 58,217	$ 56,969	-$ 1,249
1830	Poles Towers & Fixtures - Concrete	$ 167,725	$ 4,438	$ 163,287		$0	$ -	$ -	48.00	2.08%	60.00	1.67%	$ 3,402	$ -	$ -	$ 3,402	$ 2,994	-$ 408
1830	Poles Towers & Fixtures - Steel	$ 2,521	$ -	$ 2,521			$ -	$ -	50.00	2.00%	60.00	1.67%	$ 50	$ -	$ -	$ 50	$ 48	-$ 3
1830	Poles Towers & Fixtures - Switches	$ -	$ -	$ -	$ 19,878	$0	$ 19,878	$ 22,041	45.00	2.22%	45.00	2.22%	$ -	$ 442	$ 245	$ 687	$ 687	-$ 0
1835	O/H Conductors & Devices - Conductors	$ 454,673	$ 719	$ 453,954	$ 140,205	$0	$ 140,205	$ 128,280	50.00	2.00%	60.00	1.67%	$ 9,079	$ 2,337	$ 1,069	$ 12,485	$ 12,304	-$ 181
1835	O/H Conductors & Devices - Line Switch	$ 4,658	$ -	$ 4,658		$0	$ -	$ -	45.00	2.22%	45.00	2.22%	$ 104	$ -	$ -	$ 104	$ 104	$ 1
1835	O/H Conductors & Devices - Reclosers	$ -	$ -	$ -	$ 304,704	$0	$ 304,704	$ -	40.00	2.50%	40.00	2.50%	$ -	$ 7,618	$ -	$ 7,618	$ 7,914	$ 297
1840	U/G Conduit-Concret encased duct banks	$ -	$ -	$ -		$0	$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1840	U/G Conduit-Ducts	$ 861	$ -	$ 861		$0	$ -	$ -	50.00	2.00%	50.00	2.00%	$ 17	$ -	$ -	$ 17	$ 18	$ 1
1840	U/G Conduit-UG Foundations	$ -	$ -	$ -		$0	$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1845	Underground Conductors & Devices	$ 323,224	$ -	$ 323,224	$ 208,598	$0	$ 208,598	$ -	33.00	3.03%	40.00	2.50%	$ 9,795	$ 5,215	$ -	$ 15,010	$ 14,889	-$ 120
1850	Distribution Transformers - Overhead	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1850	Distribution Transformers - Inventory	$ 158,535	$ -	$ 158,535	$ 38,417	$0	$ 38,417	$ 681	40.00	2.50%	40.00	2.50%	$ 3,963	$ 960	$ 9	$ 4,932	$ -	-$ 4,932
1850	Distribution Transformers - UG Pad-Mounted Trans	$ 437,846	$ -	$ 437,846	$ 31,892	$0	$ 31,892	$ 2,912	31.00	3.23%	40.00	2.50%	$ 14,124	$ 797	$ 36	$ 14,958	$ 15,556	$ 598
1850	Distribution Transformers - OH Trans & Voltage Reg	$ 321,955	$ -	$ 321,955	$ 116,305	$0	$ 116,305	$ 65,143	31.00	3.23%	40.00	2.50%	$ 10,386	$ 2,908	$ 814	$ 14,108	$ 15,739	$ 1,632
1855	Distribution Services - UG Secondary in Duct	$ 82,930	$ -	$ 82,930	$ 77,318	$0	$ 77,318	$ 7,164	51.00	1.96%	60.00	1.67%	$ 1,626	$ 1,289	$ 60	$ 2,974	$ 2,932	-$ 42
1855	Distribution Services - OH Conductors	$ 102,913	$ -	$ 102,913	$ 35,018	$0	$ 35,018	$ 27,740	33.00	3.03%	40.00	2.50%	$ 3,119	$ 875	$ 347	$ 4,341	$ 4,228	-$ 113
1860	Distribution Meters	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Inventory	$ 14,766	$ -	$ 14,766			$ -	$ -	12.00	8.33%	15.00	6.67%	$ 1,231	$ -	$ -	$ 1,231	$ 1,100	-$ 131
1860	Distribution Meters - Residential Energy Meters	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Ind/Com Energy Meters	$ 9,981	$ -	$ 9,981		$0	$ -	$ -	20.00	5.00%	25.00	4.00%	$ 499	$ -	$ -	$ 499	$ 494	-$ 5
1860	Distribution Meters - Wholesale Energy Meters	$ 71,394	$ -	$ 71,394		$0	$ -	$ 6,903	21.00	4.76%	30.00	3.33%	$ 3,400	$ -	$ 115	$ 3,515	$ 3,463	-$ 52
1860	Distribution Meters - Current & Potential Meters	$ 1,884	$ -	$ 1,884		$0	$ -	$ 51,506	25.00	4.00%	25.00	4.00%	$ 75	$ -	$ 1,030	$ 1,105	$ 1,107	$ 1
1860	Distribution Meters-Smart	$ 426,790	$ 27,224	$ 399,566	$ 52,137	$18,452	$ 33,685	$ 45,532	9.20	10.87%	15.00	6.67%	$ 43,431	$ 2,246	$ 1,518	$ 47,194	$ 46,562	-$ 633
1860	Distribution Meters-Smart-Repeaters	$ 240	$ -	$ 240		$0	$ -	$ -	5.00	20.00%	5.00	20.00%	$ 48	$ -	$ -	$ 48	$ -	-$ 48
1860	Distribution Meters-Smart-Data Collectors	$ 19,055	$ 19,055	-$ 0		$0	$ -	$ 997	5.00	20.00%	5.00	20.00%	-$ 0	$ -	$ 100	$ 100	$ 100	$ 0
1860	Distribution Meters-Stranded	$ 0	$ -	$ 0		$0	$ -	$ -	25.00	4.00%	25.00	4.00%	$ 0	$ -	$ -	$ 0	$ -	-$ 0
1860	Distribution Meters-Inventory	$ 47,566	$ -	$ 47,566	-$ 17,047		-$ 17,047	$ 1,867	15.00	6.67%	15.00	6.67%	$ 3,171	-$ 1,136	$ 62	$ 2,097	$ -	-$ 2,097
1905	Land	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (5 years)	$ 38,170	$ -	$ 38,170	$ 1,230	$0	$ 1,230	$ 482	10.00	10.00%	10.00	10.00%	$ 3,817	$ 123	$ 24	$ 3,964	$ 3,531	-$ 433
1920	Computer Equipment - Hardware	$ 148,916	$ 25,881	$ 123,035	$ 94,264	$2,618	$ 91,646	$ 9,574	4.60	21.74%	5.00	20.00%	$ 26,747	$ 18,329	$ 957	$ 46,033	$ 43,546	-$ 2,487
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -		$0	$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment - Trucks and Buckets	$ 354,414	$ -	$ 354,414		$0	$ -	$ -	10.00	10.00%	10.00	10.00%	$ 35,441	$ -	$ -	$ 35,441	$ 37,441	$ 1,999
1930	Transportation Equipment - Trailers	$ 2,478	$ -	$ 2,478		$0	$ -	$ -	8.00	12.50%	8.00	12.50%	$ 310	$ -	$ -	$ 310	$ -	-$ 310
1930	Transportation Equipment - Pick-ups/Vans/Cars	$ 26,668	$ 26,668	-$ 0	$ 29,551		$ 29,551	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 5,910	$ -	$ 5,910	$ 5,336	-$ 574
1935	Stores Equipment	$ 1,497	$ -	$ 1,497			$ -	$ -	8.00	12.50%	8.00	12.50%	$ 187	$ -	$ -	$ 187	$ 236	$ 49
1940	Tools, Shop & Garage Equipment	$ 4,032	$ -	$ 4,032	$ 4,585		$ 4,585	$ 11,109	10.00	10.00%	10.00	10.00%	$ 403	$ 458	$ 555	$ 1,417	$ 1,478	$ 61
1945	Measurement & Testing Equipment	$ -	$ -	$ -			$ -	$ -	10.00	10.00%	10.00	10.00%	$ -	$ -	$ -	$ -	$ -	$ -
1950	Power Operated Equipment	$ -	$ -	$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 9,262	$ -	$ 9,262			$ -	$ 13,391	5.00	20.00%	5.00	20.00%	$ 1,852	$ -	$ 1,339	$ 3,191	$ 2,827	-$ 365
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 87,770	$ -	$ 87,770	$ 186,918		$ 186,918	$ -	6.50	15.38%	10.00	10.00%	$ 13,503	$ 18,692	$ -	$ 32,195	$ 32,719	$ 525
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -		$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants	$ -		$ -			$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
2440	Deferred Revenue[5]	-$ 330,563		-$ 330,563	-$ 101,732		-$ 101,732	-$ 11,555	34.50	2.90%	45.00	2.22%	-$ 9,582	-$ 2,261	-$ 128	-$ 11,971	-$ 11,710	$ 261
2005	Property Under Finance Lease[7]	$ -		$ -			$ -			0.00%		0.00%	$ -	$ -	$ -	$ -		$ -
	Total	**$ 5,802,179**	**$ 319,691**	**$ 5,482,488**	**$ 2,852,336**	**$ 21,070**	**$ 2,831,266**	**$ 695,225**					**$ 265,780**	**$ 109,868**	**$ 17,919**	**$ 393,567**	**$ 384,286**	**-$ 9,282**

Table 24 – 2017 Depreciation Expense

2017		Book Values							Service Lives				Depreciation Expense					
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	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	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]
		a	b	c = a-b	d	e	f = d- e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1609	Capital Contributions Paid	$ -	$ -	$ -	$ 838,765		$ 838,765	$ -	25.00	4.00%	25.00	4.00%	$ -	$ 33,551	$ -	$ 33,551	$ 33,551	$ 0
1611	Computer Software (Formally known as Account 1925)	$ 236,661	$ 211,456	$ 25,205	$ 101,316		$ 101,316	$ 30,801	2.70	37.04%	5.00	20.00%	$ 9,335	$ 20,263	$ 3,080	$ 32,679	$ 32,349	-$ 330
1612	Land Rights (Formally known as Account 1906)	$ 19,240	$ -	$ 19,240	$ 9,411		$ 9,411	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ 41,988	$ -	$ 41,988	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings & Fixtures - MF Building	$ 176,972	$ -	$ 176,972	$ 35,510		$ 35,510	$ 3,350	34.50	2.90%	60.00	1.67%	$ 5,130	$ 592	$ 28	$ 5,749	$ 4,455	-$ 1,294
1808	Buildings & Fixtures - MF Fence/Parking/Roof	$ 34,682	$ -	$ 34,682	$ 4,250		$ 4,250	$ 6,135	20.50	4.88%	25.00	4.00%	$ 1,692	$ 170	$ 123	$ 1,984	$ 1,987	$ 3
1808	Buildings & Fixtures - MF Fixture/Flooring	$ 15,884	$ -	$ 15,884	$ 36,701		$ 36,701	$ -	8.50	11.76%	15.00	6.67%	$ 1,869	$ 2,447	$ -	$ 4,315	$ 4,299	-$ 16
1808	Buildings & Fixtures - MF HVAC/Plumbing/Comm	$ 17,683	$ -	$ 17,683	$ 3,597		$ 3,597	$ 20,192	11.60	8.62%	15.00	6.67%	$ 1,524	$ 240	$ 673	$ 2,437	$ 2,429	-$ 8
1808	Buildings & Fixtures - AR Building	$ 3,421	$ -	$ 3,421	$ -		$ -	$ -	45.50	2.20%	60.00	1.67%	$ 75	$ -	$ -	$ 75	$ 58	-$ 18
1808	Buildings & Fixtures - AR Fence/Parking/Roof	$ 10,882	$ -	$ 10,882	$ -		$ -	$ -	21.00	4.76%	25.00	4.00%	$ 518	$ -	$ -	$ 518	$ 518	$ 0
1808	Buildings & Fixtures - E.S. Shed Building	$ 32,500	$ -	$ 32,500	$ -		$ -	$ -	49.50	2.02%	60.00	1.67%	$ 657	$ -	$ -	$ 657	$ 616	-$ 41
1808	Buildings & Fixtures - E.S. Shed Fixture/Flooring	$ 2,169	$ -	$ 2,169	$ -		$ -	$ -	4.00	25.00%	15.00	6.67%	$ 542	$ -	$ -	$ 542	$ 542	$ 0
1808	Buildings & Fixtures - E.S. Shed Fence/Parking/Roof	$ 1,067	$ -	$ 1,067	$ -		$ -	$ -	15.00	6.67%	25.00	4.00%	$ 71	$ -	$ -	$ 71	$ 71	$ 0
1808	Buildings & Fixtures - W.S. Shed	$ -	$ -	$ -	$ -		$ -	$ -	60.00	1.67%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Sub Stations Power - Overall	$ 166,847	$ 1,459	$ 165,388	$ 598,276		$ 598,276	$ 6,467	33.00	3.03%	45.00	2.22%	$ 5,012	$ 13,295	$ 72	$ 18,379	$ 18,368	-$ 11
1820	Sub Stations Power - Bushing	$ 10,876	$ -	$ 10,876	$ 16,593		$ 16,593	$ -	16.00	6.25%	20.00	5.00%	$ 680	$ 830	$ -	$ 1,509	$ 1,509	$ 0
1820	Sub Stations Power - Tap Changer	$ 32,006	$ -	$ 32,006	$ -		$ -	$ -	15.50	6.45%	30.00	3.33%	$ 2,065	$ -	$ -	$ 2,065	$ 2,097	$ 32
1820	Sub Stations Switchgear - Overall	$ 106,833	$ -	$ 106,833	$ 264,451		$ 264,451	$ -	24.00	4.17%	40.00	2.50%	$ 4,451	$ 6,611	$ -	$ 11,063	$ 11,015	-$ 48
1820	Sub Stations - Station Switch	$ 35,228	$ -	$ 35,228	$ 248,194		$ 248,194	$ -	32.00	3.13%	50.00	2.00%	$ 1,101	$ 4,964	$ -	$ 6,065	$ 6,080	$ 15
1820	Sub Stations - Rigid Busbars	$ 17,731	$ -	$ 17,731	$ -		$ -	$ -	41.00	2.44%	55.00	1.82%	$ 432	$ -	$ -	$ 432	$ 423	-$ 10
1820	Sub Stations - Steel Structure	$ 17,614	$ -	$ 17,614	$ 43,889		$ 43,889	$ -	34.50	2.90%	50.00	2.00%	$ 511	$ 878	$ -	$ 1,388	$ 1,386	-$ 2
1820	Sub Stations - Fence	$ 13,631	$ -	$ 13,631	$ 51,712		$ 51,712	$ -	15.00	6.67%	25.00	4.00%	$ 909	$ 2,068	$ -	$ 2,977	$ 2,732	-$ 245
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles Towers & Fixtures - Wood	$ 1,816,106	$ 2,791	$ 1,813,315	$ 527,654		$ 527,654	$ 174,042	37.00	2.70%	45.00	2.22%	$ 49,009	$ 11,726	$ 1,934	$ 62,668	$ 61,315	-$ 1,353
1830	Poles Towers & Fixtures - Concrete	$ 167,725	$ 4,438	$ 163,287	$ -		$ -	$ -	48.00	2.08%	60.00	1.67%	$ 3,402	$ -	$ -	$ 3,402	$ 2,994	-$ 408
1830	Poles Towers & Fixtures - Steel	$ 2,521	$ -	$ 2,521	$ -		$ -	$ -	50.00	2.00%	60.00	1.67%	$ 50	$ -	$ -	$ 50	$ 48	-$ 3
1830	Poles Towers & Fixtures - Switches	$ -	$ -	$ -	$ 41,920		$ 41,920	$ -	45.00	2.22%	45.00	2.22%	$ -	$ 932	$ -	$ 932	$ 932	-$ 0
1835	O/H Conductors & Devices - Conductors	$ 454,673	$ 719	$ 453,954	$ 268,485		$ 268,485	$ 82,813	50.00	2.00%	60.00	1.67%	$ 9,079	$ 4,475	$ 690	$ 14,244	$ 14,098	-$ 145
1835	O/H Conductors & Devices - Line Switch	$ 4,658	$ -	$ 4,658	$ -		$ -	$ -	45.00	2.22%	45.00	2.22%	$ 104	$ -	$ -	$ 104	$ 104	$ 1
1835	O/H Conductors & Devices - Reclosers	$ -	$ -	$ -	$ 304,704		$ 304,704	$ -	40.00	2.50%	40.00	2.50%	$ -	$ 7,618	$ -	$ 7,618	$ 7,914	$ 297
1840	U/G Conduit-Concret encased duct banks	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1840	U/G Conduit-Ducts	$ 861	$ -	$ 861	$ -		$ -	$ -	50.00	2.00%	50.00	2.00%	$ 17	$ -	$ -	$ 17	$ 18	$ 1
1840	U/G Conduit-UG Foundations	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1845	Underground Conductors & Devices	$ 323,224	$ -	$ 323,224	$ 208,598		$ 208,598	$ 2,765	33.00	3.03%	40.00	2.50%	$ 9,795	$ 5,215	$ 35	$ 15,044	$ 14,924	-$ 120
1850	Distribution Transformers - Overhead	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1850	Distribution Transformers - Inventory	$ 158,535	$ -	$ 158,535	$ 39,098		$ 39,098	-$ 15,929	40.00	2.50%	40.00	2.50%	$ 3,963	$ 977	-$ 199	$ 4,742	$ -	-$ 4,742
1850	Distribution Transformers - UG Pad-Mounted Trans	$ 437,846	$ -	$ 437,846	$ 34,804		$ 34,804	$ 5,877	31.00	3.23%	40.00	2.50%	$ 14,124	$ 870	$ 73	$ 15,068	$ 15,643	$ 576
1850	Distribution Transformers - OH Trans & Voltage Reg	$ 321,955	$ -	$ 321,955	$ 181,447		$ 181,447	$ 58,291	31.00	3.23%	40.00	2.50%	$ 10,386	$ 4,536	$ 729	$ 15,650	$ 17,280	$ 1,630
1855	Distribution Services - UG Secondary in Duct	$ 82,930	$ -	$ 82,930	$ 84,482		$ 84,482	$ 14,767	51.00	1.96%	60.00	1.67%	$ 1,626	$ 1,408	$ 123	$ 3,157	$ 3,118	-$ 39
1855	Distribution Services - OH Conductors	$ 102,913	$ -	$ 102,913	$ 62,758		$ 62,758	$ 27,056	33.00	3.03%	40.00	2.50%	$ 3,119	$ 1,569	$ 338	$ 5,026	$ 4,800	-$ 226
1860	Distribution Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Inventory	$ 14,766	$ -	$ 14,766	$ -		$ -	$ -	12.00	8.33%	15.00	6.67%	$ 1,231	$ -	$ -	$ 1,231	$ 1,100	-$ 131
1860	Distribution Meters - Residential Energy Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Ind/Com Energy Meters	$ 9,981	$ -	$ 9,981	$ -		$ -	$ -	20.00	5.00%	25.00	4.00%	$ 499	$ -	$ -	$ 499	$ 494	-$ 5
1860	Distribution Meters - Wholesale Energy Meters	$ 71,394	$ -	$ 71,394	$ 6,903		$ 6,903	$ -	21.00	4.76%	30.00	3.33%	$ 3,400	$ 230	$ -	$ 3,630	$ 3,578	-$ 52
1860	Distribution Meters - Current & Potential Meters	$ 1,884	$ -	$ 1,884	$ 51,506		$ 51,506	$ -	25.00	4.00%	25.00	4.00%	$ 75	$ 2,060	$ -	$ 2,136	$ 2,137	$ 1
1860	Distribution Meters-Smart	$ 426,790	$ 45,676	$ 381,114	$ 97,669	$ 13,484	$ 84,185	$ 57,413	9.20	10.87%	15.00	6.67%	$ 41,425	$ 5,612	$ 1,914	$ 48,952	$ 48,608	-$ 344
1860	Distribution Meters-Smart-Repeaters	$ 240	$ -	$ 240	$ -		$ -	$ -	5.00	20.00%	5.00	20.00%	$ 48	$ -	$ -	$ 48	$ -	-$ 48
1860	Distribution Meters-Smart-Data Collectors	$ 19,055	$ 19,055	-$ 0	$ 997		$ 997	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 199	$ -	$ 199	$ 199	$ 0
1860	Distribution Meters-Stranded	$ 0	$ -	$ 0	$ -		$ -	$ -	25.00	4.00%	25.00	4.00%	$ 0	$ -	$ -	$ 0	$ -	-$ 0
1860	Distribution Meters-Inventory	$ 47,566	$ -	$ 47,566	-$ 15,180		-$ 15,180	$ 46,710	15.00	6.67%	15.00	6.67%	$ 3,171	-$ 1,012	$ 1,557	$ 3,716	$ -	-$ 3,716
1905	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (5 years)	$ 38,170	$ -	$ 38,170	$ 1,712		$ 1,712	$ 21,824	10.00	10.00%	10.00	10.00%	$ 3,817	$ 171	$ 1,091	$ 5,079	$ 4,559	-$ 520
1920	Computer Equipment - Hardware	$ 148,916	$ 28,499	$ 120,417	$ 103,838		$ 103,838	$ 18,774	4.50	22.22%	5.00	20.00%	$ 26,759	$ 20,768	$ 1,877	$ 49,404	$ 46,717	-$ 2,687
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment - Trucks and Buckets	$ 354,414	$ -	$ 354,414	$ -		$ -	$ -	10.00	10.00%	10.00	10.00%	$ 35,441	$ -	$ -	$ 35,441	$ 36,034	$ 593
1930	Transportation Equipment - Trailers	$ 2,478	$ -	$ 2,478	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 310	$ -	$ -	$ 310	$ -	-$ 310
1930	Transportation Equipment - Pick-ups/Vans/Cars	$ 26,668	$ 26,668	-$ 0	$ 29,551		$ 29,551	$ 37,499	5.00	20.00%	5.00	20.00%	-$ 0	$ 5,910	$ 3,750	$ 9,660	$ 9,086	-$ 574
1935	Stores Equipment	$ 1,497	$ -	$ 1,497	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 187	$ -	$ -	$ 187	$ 236	$ 49
1940	Tools, Shop & Garage Equipment	$ 4,032	$ -	$ 4,032	$ 15,694		$ 15,694	$ -	10.00	10.00%	10.00	10.00%	$ 403	$ 1,569	$ -	$ 1,973	$ 2,034	$ 61
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ -		$ -	$ 24,683	10.00	10.00%	10.00	10.00%	$ -	$ -	$ 1,234	$ 1,234	$ 1,234	-$ 0
1950	Power Operated Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 9,262	$ -	$ 9,262	$ 13,391		$ 13,391	$ 591	5.00	20.00%	5.00	20.00%	$ 1,852	$ 2,678	$ 59	$ 4,590	$ 3,302	-$ 1,288
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 87,770	$ -	$ 87,770	$ 186,918		$ 186,918	$ 1,113	6.50	15.38%	10.00	10.00%	$ 13,503	$ 18,692	$ 56	$ 32,251	$ 32,775	$ 525
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
2440	Deferred Revenue[5]	-$ 330,563	$ -	-$ 330,563	-$ 113,287		-$ 113,287	$ -	34.50	2.90%	35.00	2.86%	-$ 9,582	-$ 3,237	$ -	-$ 12,818	-$ 11,854	$ 964
2005	Property Under Finance Lease[7]	$ -	$ -	$ -			$ -			0.00%		0.00%	$ -	$ -	$ -	$ -		$ -
	Total	**$ 5,802,179**	**$ 340,761**	**$ 5,461,418**	**$ 3,547,560**	**$ 13,484**	**$ 3,534,076**	**$ 625,234**					**$ 263,787**	**$ 145,325**	**$ 19,237**	**$ 428,348**	**$ 414,362**	**-$ 13,987**

Table 25 – 2018 Depreciation Expense

2018		Book Values							Service Lives				Depreciation Expense					
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	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	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]
		a	b	c = a-b	d	e	f = d- e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1609	Capital Contributions Paid	$ -	$ -	$ -	$ 838,765		$ 838,765	$ -	25.00	4.00%	25.00	4.00%	$ -	$ 33,551	$ -	$ 33,551	$ 33,551	$ 0
1611	Computer Software (Formally known as Account 1925)	$ 236,661	$ 226,518	$ 10,143	$ 132,117		$ 132,117	$ 4,700	2.70	37.04%	5.00	20.00%	$ 3,757	$ 26,423	$ 470	$ 30,650	$ 31,663	$ 1,013
1612	Land Rights (Formally known as Account 1906)	$ 19,240	$ -	$ 19,240	$ 9,411		$ 9,411	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings & Fixtures - MF Building	$ 176,972	$ -	$ 176,972	$ 38,860		$ 38,860	$ -	34.50	2.90%	60.00	1.67%	$ 5,130	$ 648	$ -	$ 5,777	$ 4,483	-$ 1,294
1808	Buildings & Fixtures - MF Fence/Parking/Roof	$ 34,682	$ -	$ 34,682	$ 10,385		$ 10,385	$ -	20.50	4.88%	25.00	4.00%	$ 1,692	$ 415	$ -	$ 2,107	$ 2,110	$ 3
1808	Buildings & Fixtures - MF Fixture/Flooring	$ 15,884	$ -	$ 15,884	$ 36,701		$ 36,701	$ -	8.50	11.76%	15.00	6.67%	$ 1,869	$ 2,447	$ -	$ 4,315	$ 4,299	-$ 16
1808	Buildings & Fixtures - MF HVAC/Plumbing/Comm	$ 17,683	$ -	$ 17,683	$ 23,789		$ 23,789	$ -	11.60	8.62%	15.00	6.67%	$ 1,524	$ 1,586	$ -	$ 3,110	$ 3,102	-$ 8
1808	Buildings & Fixtures - AR Building	$ 3,421	$ -	$ 3,421	$ -		$ -	$ -	45.50	2.20%	60.00	1.67%	$ 75	$ -	$ -	$ 75	$ 58	-$ 18
1808	Buildings & Fixtures - AR Fence/Parking/Roof	$ 10,882	$ -	$ 10,882	$ -		$ -	$ -	21.00	4.76%	25.00	4.00%	$ 518	$ -	$ -	$ 518	$ 518	$ 0
1808	Buildings & Fixtures - E.S. Shed Building	$ 32,500	$ -	$ 32,500	$ -		$ -	$ -	49.50	2.02%	60.00	1.67%	$ 657	$ -	$ -	$ 657	$ 616	-$ 41
1808	Buildings & Fixtures - E.S. Shed Fixture/Flooring	$ 2,169	$ -	$ 2,169	$ -		$ -	$ -	4.00	25.00%	15.00	6.67%	$ 542	$ -	$ -	$ 542	$ -	-$ 542
1808	Buildings & Fixtures - E.S. Shed Fence/Parking/Roof	$ 1,067	$ -	$ 1,067	$ -		$ -	$ -	15.00	6.67%	25.00	4.00%	$ 71	$ -	$ -	$ 71	$ 71	$ 0
1808	Buildings & Fixtures - W.S. Shed	$ -	$ -	$ -	$ -		$ -	$ -	60.00	1.67%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Sub Stations Power - Overall	$ 166,847	$ 1,459	$ 165,388	$ 604,742		$ 604,742	$ -	33.00	3.03%	45.00	2.22%	$ 5,012	$ 13,439	$ -	$ 18,450	$ 18,440	-$ 11
1820	Sub Stations Power - Bushing	$ 10,876	$ -	$ 10,876	$ 16,593		$ 16,593	$ -	16.00	6.25%	20.00	5.00%	$ 680	$ 830	$ -	$ 1,509	$ 1,509	$ 0
1820	Sub Stations Power - Tap Changer	$ 32,006	$ -	$ 32,006	$ -		$ -	$ -	15.50	6.45%	30.00	3.33%	$ 2,065	$ -	$ -	$ 2,065	$ 2,097	$ 32
1820	Sub Stations Switchgear - Overall	$ 106,833	$ -	$ 106,833	$ 264,451		$ 264,451	$ -	24.00	4.17%	40.00	2.50%	$ 4,451	$ 6,611	$ -	$ 11,063	$ 11,015	-$ 48
1820	Sub Stations - Station Switch	$ 35,228	$ -	$ 35,228	$ 248,194		$ 248,194	$ -	32.00	3.13%	50.00	2.00%	$ 1,101	$ 4,964	$ -	$ 6,065	$ 6,080	$ 15
1820	Sub Stations - Rigid Busbars	$ 17,731	$ -	$ 17,731	$ -		$ -	$ -	41.00	2.44%	55.00	1.82%	$ 432	$ -	$ -	$ 432	$ 423	-$ 10
1820	Sub Stations - Steel Structure	$ 17,614	$ -	$ 17,614	$ 43,889		$ 43,889	$ -	34.50	2.90%	50.00	2.00%	$ 511	$ 878	$ -	$ 1,388	$ 1,386	-$ 2
1820	Sub Stations - Fence	$ 13,631	$ -	$ 13,631	$ 51,712		$ 51,712	$ -	15.00	6.67%	25.00	4.00%	$ 909	$ 2,068	$ -	$ 2,977	$ 2,732	-$ 245
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles Towers & Fixtures - Wood	$ 1,816,106	$ 2,791	$ 1,813,315	$ 701,695		$ 701,695	$ 134,444	37.00	2.70%	45.00	2.22%	$ 49,009	$ 15,593	$ 1,494	$ 66,096	$ 64,447	-$ 1,649
1830	Poles Towers & Fixtures - Concrete	$ 167,725	$ 4,438	$ 163,287	$ -		$ -	$ -	48.00	2.08%	60.00	1.67%	$ 3,402	$ -	$ -	$ 3,402	$ 2,994	-$ 408
1830	Poles Towers & Fixtures - Steel	$ 2,521	$ -	$ 2,521	$ -		$ -	$ -	50.00	2.00%	60.00	1.67%	$ 50	$ -	$ -	$ 50	$ 48	-$ 3
1830	Poles Towers & Fixtures - Switches	$ -	$ -	$ -	$ 41,920		$ 41,920	$ -	45.00	2.22%	45.00	2.22%	$ -	$ 932	$ -	$ 932	$ 932	-$ 0
1835	O/H Conductors & Devices - Conductors	$ 454,673	$ 719	$ 453,954	$ 351,298		$ 351,298	$ 20,459	50.00	2.00%	60.00	1.67%	$ 9,079	$ 5,855	$ 170	$ 15,105	$ 14,980	-$ 125
1835	O/H Conductors & Devices - Line Switch	$ 4,658	$ -	$ 4,658	$ -		$ -	$ 26,993	45.00	2.22%	45.00	2.22%	$ 104	$ -	$ 300	$ 403	$ 404	$ 1
1835	O/H Conductors & Devices - Reclosers	$ -	$ -	$ -	$ 304,704		$ 304,704	$ -	40.00	2.50%	40.00	2.50%	$ -	$ 7,618	$ -	$ 7,618	$ 7,914	$ 297
1840	U/G Conduit-Concret encased duct banks	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1840	U/G Conduit-Ducts	$ -	$ -	$ -	$ -		$ -	$ -	50.00	2.00%	50.00	2.00%	$ -	$ -	$ -	$ -	$ 18	$ 18
1840	U/G Conduit-UG Foundations	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1845	Underground Conductors & Devices	$ 323,224	$ -	$ 323,224	$ 211,363		$ 211,363	$ 43,039	33.00	3.03%	40.00	2.50%	$ 9,795	$ 5,284	$ 538	$ 15,617	$ 15,496	-$ 120
1850	Distribution Transformers - Overhead	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1850	Distribution Transformers - Inventory	$ 158,535	$ -	$ 158,535	$ 23,169		$ 23,169	-$ 35,747	40.00	2.50%	40.00	2.50%	$ 3,963	$ 579	-$ 447	$ 4,096	$ -	-$ 4,096
1850	Distribution Transformers - UG Pad-Mounted Trans	$ 437,846	$ -	$ 437,846	$ 40,681		$ 40,681	$ 75,654	31.00	3.23%	40.00	2.50%	$ 14,124	$ 1,017	$ 946	$ 16,087	$ 16,663	$ 576
1850	Distribution Transformers - OH Trans & Voltage Reg	$ 321,955	$ -	$ 321,955	$ 239,738	$ 11,742	$ 227,996	$ 58,273	31.00	3.23%	40.00	2.50%	$ 10,386	$ 5,700	$ 728	$ 16,814	$ 18,822	$ 2,008
1855	Distribution Services - UG Secondary in Duct	$ 82,930	$ -	$ 82,930	$ 99,248		$ 99,248	$ 25,475	51.00	1.96%	60.00	1.67%	$ 1,626	$ 1,654	$ 212	$ 3,492	$ 3,457	-$ 36
1855	Distribution Services - OH Conductors	$ 102,913	$ -	$ 102,913	$ 89,814		$ 89,814	$ 31,735	33.00	3.03%	40.00	2.50%	$ 3,119	$ 2,245	$ 397	$ 5,761	$ 5,594	-$ 167
1860	Distribution Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Inventory	$ 14,766	$ -	$ 14,766	$ -		$ -	$ -	12.00	8.33%	15.00	6.67%	$ 1,231	$ -	$ -	$ 1,231	$ 1,100	-$ 131
1860	Distribution Meters - Residential Energy Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Ind/Com Energy Meters	$ 9,981	$ -	$ 9,981	$ -		$ -	$ -	20.00	5.00%	25.00	4.00%	$ 499	$ -	$ -	$ 499	$ 409	-$ 90
1860	Distribution Meters - Wholesale Energy Meters	$ 71,394	$ -	$ 71,394	$ 6,903		$ 6,903	$ -	21.00	4.76%	30.00	3.33%	$ 3,400	$ 230	$ -	$ 3,630	$ 3,578	-$ 52
1860	Distribution Meters - Current & Potential Meters	$ 1,884	$ -	$ 1,884	$ 51,506		$ 51,506	$ -	25.00	4.00%	25.00	4.00%	$ 75	$ 2,060	$ -	$ 2,136	$ 2,137	$ 1
1860	Distribution Meters-Smart	$ 426,790	$ 59,160	$ 367,630	$ 155,082	$ 32,728	$ 122,354	$ 187,345	9.20	10.87%	15.00	6.67%	$ 39,960	$ 8,157	$ 6,245	$ 54,362	$ 54,584	$ 223
1860	Distribution Meters-Smart-Repeaters	$ 240	$ -	$ 240	$ -		$ -	$ -	5.00	20.00%	5.00	20.00%	$ 48	$ -	$ -	$ 48	$ -	-$ 48
1860	Distribution Meters-Smart-Data Collectors	$ 19,055	$ 19,055	-$ 0	$ 997		$ 997	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 199	$ -	$ 199	$ 199	$ 0
1860	Distribution Meters-Stranded	$ 0	$ -	$ 0	$ -		$ -	$ -	25.00	4.00%	25.00	4.00%	$ 0	$ -	$ -	$ 0	$ -	-$ 0
1860	Distribution Meters-Inventory	$ 47,566	$ -	$ 47,566	$ 31,530		$ 31,530	$ 23,211	15.00	6.67%	15.00	6.67%	$ 3,171	$ 2,102	$ 774	$ 6,047	$ -	-$ 6,047
1905	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (5 years)	$ 38,170	$ -	$ 38,170	$ 23,536		$ 23,536	$ -	10.00	10.00%	10.00	10.00%	$ 3,817	$ 2,354	$ -	$ 6,171	$ 5,560	-$ 610
1920	Computer Equipment - Hardware	$ 148,916	$ 28,499	$ 120,417	$ 122,612	$ 17,443	$ 105,169	$ 21,639	4.50	22.22%	5.00	20.00%	$ 26,759	$ 21,034	$ 2,164	$ 49,957	$ 48,429	-$ 1,528
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment - Trucks and Buckets	$ 354,414	$ -	$ 354,414	$ -		$ -	$ -	10.00	10.00%	10.00	10.00%	$ 35,441	$ -	$ -	$ 35,441	$ 34,628	-$ 813
1930	Transportation Equipment - Trailers	$ 2,478	$ -	$ 2,478	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 310	$ -	$ -	$ 310	$ -	-$ 310
1930	Transportation Equipment - Pick-ups/Vans/Cars	$ 26,668	$ 26,668	-$ 0	$ 67,051		$ 67,051	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 13,410	$ -	$ 13,410	$ 12,822	-$ 588
1935	Stores Equipment	$ 1,497	$ -	$ 1,497	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 187	$ -	$ -	$ 187	$ 236	$ 49
1940	Tools, Shop & Garage Equipment	$ 4,032	$ -	$ 4,032	$ 15,694		$ 15,694	$ 2,144	10.00	10.00%	10.00	10.00%	$ 403	$ 1,569	$ 107	$ 2,080	$ 2,086	$ 7
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ 24,683		$ 24,683	$ -	10.00	10.00%	10.00	10.00%	$ -	$ 2,468	$ -	$ 2,468	$ 2,468	-$ 0
1950	Power Operated Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 9,262	$ 9,262	-$ 0	$ 13,983		$ 13,983	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 2,797	$ -	$ 2,796	$ 3,074	$ 277
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 87,770	$ -	$ 87,770	$ 188,031		$ 188,031	$ -	6.50	15.38%	10.00	10.00%	$ 13,503	$ 18,803	$ -	$ 32,306	$ 32,831	$ 525
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
2440	Deferred Revenue[5]	-$ 330,563	$ -	-$ 330,563	-$ 113,287		-$ 113,287	$ -	34.50	2.90%	35.00	2.86%	-$ 9,582	-$ 3,237	$ -	-$ 12,818	-$ 11,854	$ 964
2005	Property Under Finance Lease[7]	$ -	$ -	$ -			$ -			0.00%		0.00%	$ -	$ -	$ -	$ -		$ -
	Total	**$ 5,759,330**	**$ 378,569**	**$ 5,380,761**	**$ 4,172,794**	**$ 61,913**	**$ 4,110,881**	**$ 619,363**					**$ 254,873**	**$ 178,733**	**$ 14,098**	**$ 447,704**	**$ 434,658**	**-$ 13,046**

Table 26 – 2019 Depreciation Expense

2019		Book Values							Service Lives				Depreciation Expense					
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	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	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]
		a	b	c = a-b	d	e	f = d- e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1609	Capital Contributions Paid	$ -	$ -	$ -	$ 838,765		$ 838,765	$ -	25.00	4.00%	25.00	4.00%	$ -	$ 33,551	$ -	$ 33,551	$ 33,551	$ 0
1611	Computer Software (Formally known as Account 1925)	$ 236,661	$ 226,518	$ 10,143	$ 136,817	$ 24,741	$ 112,076	$ 32,207	2.70	37.04%	5.00	20.00%	$ 3,757	$ 22,415	$ 3,221	$ 29,393	$ 29,552	$ 159
1612	Land Rights (Formally known as Account 1906)	$ 19,240	$ -	$ 19,240	$ 9,411		$ 9,411	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings & Fixtures - MF Building	$ 176,972	$ -	$ 176,972	$ 38,860		$ 38,860	$ 1,215	34.50	2.90%	60.00	1.67%	$ 5,130	$ 648	$ 10	$ 5,787	$ 4,493	-$ 1,294
1808	Buildings & Fixtures - MF Fence/Parking/Roof	$ 34,682	$ -	$ 34,682	$ 10,385		$ 10,385	$ -	20.50	4.88%	25.00	4.00%	$ 1,692	$ 415	$ -	$ 2,107	$ 2,110	$ 3
1808	Buildings & Fixtures - MF Fixture/Flooring	$ 15,884	$ -	$ 15,884	$ 36,701		$ 36,701	$ -	8.50	11.76%	15.00	6.67%	$ 1,869	$ 2,447	$ -	$ 4,315	$ 4,299	-$ 16
1808	Buildings & Fixtures - MF HVAC/Plumbing/Comm	$ 17,683	$ -	$ 17,683	$ 23,789		$ 23,789	$ -	11.60	8.62%	15.00	6.67%	$ 1,524	$ 1,586	$ -	$ 3,110	$ 3,102	-$ 8
1808	Buildings & Fixtures - AR Building	$ 3,421	$ -	$ 3,421	$ -		$ -	$ -	45.50	2.20%	60.00	1.67%	$ 75	$ -	$ -	$ 75	$ 58	-$ 18
1808	Buildings & Fixtures - AR Fence/Parking/Roof	$ 10,882	$ -	$ 10,882	$ -		$ -	$ -	21.00	4.76%	25.00	4.00%	$ 518	$ -	$ -	$ 518	$ 518	$ 0
1808	Buildings & Fixtures - E.S. Shed Building	$ 32,500	$ -	$ 32,500	$ -		$ -	$ -	49.50	2.02%	60.00	1.67%	$ 657	$ -	$ -	$ 657	$ 616	-$ 41
1808	Buildings & Fixtures - E.S. Shed Fixture/Flooring	$ 2,169	$ -	$ 2,169	$ -		$ -	$ -	4.00	25.00%	15.00	6.67%	$ 542	$ -	$ -	$ 542	$ -	-$ 542
1808	Buildings & Fixtures - E.S. Shed Fence/Parking/Roof	$ 1,067	$ -	$ 1,067	$ -		$ -	$ -	15.00	6.67%	25.00	4.00%	$ 71	$ -	$ -	$ 71	$ 71	$ 0
1808	Buildings & Fixtures - W.S. Shed	$ -	$ -	$ -	$ -		$ -	$ -	60.00	1.67%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Sub Stations Power - Overall	$ 166,847	$ 1,459	$ 165,388	$ 604,742		$ 604,742	$ -	33.00	3.03%	45.00	2.22%	$ 5,012	$ 13,439	$ -	$ 18,450	$ 18,440	-$ 11
1820	Sub Stations Power - Bushing	$ 10,876	$ -	$ 10,876	$ 16,593		$ 16,593	$ -	16.00	6.25%	20.00	5.00%	$ 680	$ 830	$ -	$ 1,509	$ 1,509	$ 0
1820	Sub Stations Power - Tap Changer	$ 32,006	$ -	$ 32,006	$ -		$ -	$ -	15.50	6.45%	30.00	3.33%	$ 2,065	$ -	$ -	$ 2,065	$ 2,097	$ 32
1820	Sub Stations Switchgear - Overall	$ 106,833	$ -	$ 106,833	$ 264,451		$ 264,451	$ -	24.00	4.17%	40.00	2.50%	$ 4,451	$ 6,611	$ -	$ 11,063	$ 11,015	-$ 48
1820	Sub Stations - Station Switch	$ 35,228	$ -	$ 35,228	$ 248,194		$ 248,194	$ -	32.00	3.13%	50.00	2.00%	$ 1,101	$ 4,964	$ -	$ 6,065	$ 6,080	$ 15
1820	Sub Stations - Rigid Busbars	$ 17,731	$ -	$ 17,731	$ -		$ -	$ -	41.00	2.44%	55.00	1.82%	$ 432	$ -	$ -	$ 432	$ 423	-$ 10
1820	Sub Stations - Steel Structure	$ 17,614	$ -	$ 17,614	$ 43,889		$ 43,889	$ -	34.50	2.90%	50.00	2.00%	$ 511	$ 878	$ -	$ 1,388	$ 1,386	-$ 2
1820	Sub Stations - Fence	$ 13,631	$ -	$ 13,631	$ 51,712		$ 51,712	$ 3,323	15.00	6.67%	25.00	4.00%	$ 909	$ 2,068	$ 66	$ 3,044	$ 2,799	-$ 245
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles Towers & Fixtures - Wood	$ 1,816,106	$ 2,791	$ 1,813,315	$ 836,139	$ 5,841	$ 830,298	$ 171,616	37.00	2.70%	45.00	2.22%	$ 49,009	$ 18,451	$ 1,907	$ 69,366	$ 67,550	-$ 1,817
1830	Poles Towers & Fixtures - Concrete	$ 167,725	$ 4,438	$ 163,287	$ -		$ -	$ -	48.00	2.08%	60.00	1.67%	$ 3,402	$ -	$ -	$ 3,402	$ 2,994	-$ 408
1830	Poles Towers & Fixtures - Steel	$ 2,521	$ -	$ 2,521	$ -		$ -	$ -	50.00	2.00%	60.00	1.67%	$ 50	$ -	$ -	$ 50	$ 48	-$ 3
1830	Poles Towers & Fixtures - Switches	$ -	$ -	$ -	$ 41,920		$ 41,920	$ -	45.00	2.22%	45.00	2.22%	$ -	$ 932	$ -	$ 932	$ 932	-$ 0
1835	O/H Conductors & Devices - Conductors	$ 454,673	$ 719	$ 453,954	$ 371,757		$ 371,757	$ 87,280	50.00	2.00%	60.00	1.67%	$ 9,079	$ 6,196	$ 727	$ 16,002	$ 15,889	-$ 113
1835	O/H Conductors & Devices - Line Switch	$ 4,658	$ -	$ 4,658	$ 26,993		$ 26,993	$ -	45.00	2.22%	45.00	2.22%	$ 104	$ 600	$ -	$ 703	$ 704	$ 1
1835	O/H Conductors & Devices - Reclosers	$ -	$ -	$ -	$ 304,704		$ 304,704	$ -	40.00	2.50%	40.00	2.50%	$ -	$ 7,618	$ -	$ 7,618	$ 7,914	$ 297
1840	U/G Conduit-Concret encased duct banks	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1840	U/G Conduit-Ducts	$ -	$ -	$ -	$ -		$ -	$ -	50.00	2.00%	50.00	2.00%	$ -	$ -	$ -	$ -	$ 18	$ 18
1840	U/G Conduit-UG Foundations	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1845	Underground Conductors & Devices	$ 323,224	$ -	$ 323,224	$ 254,402		$ 254,402	$ 1,582	33.00	3.03%	40.00	2.50%	$ 9,795	$ 6,360	$ 20	$ 16,174	$ 16,054	-$ 120
1850	Distribution Transformers - Overhead	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1850	Distribution Transformers - Inventory	$ 158,535	$ -	$ 158,535	-$ 12,577		-$ 12,577	$ 14,321	40.00	2.50%	40.00	2.50%	$ 3,963	-$ 314	$ 179	$ 3,828	$ -	-$ 3,828
1850	Distribution Transformers - UG Pad-Mounted Trans	$ 437,846	$ -	$ 437,846	$ 116,335	$ 19,690	$ 96,645	$ 20,511	31.00	3.23%	40.00	2.50%	$ 14,124	$ 2,416	$ 256	$ 16,797	$ 17,843	$ 1,046
1850	Distribution Transformers - OH Trans & Voltage Reg	$ 321,955	$ 11,742	$ 310,213	$ 298,011	$ 2,333	$ 295,678	$ 43,845	31.00	3.23%	40.00	2.50%	$ 10,007	$ 7,392	$ 548	$ 17,947	$ 19,894	$ 1,947
1855	Distribution Services - UG Secondary in Duct	$ 82,930	$ -	$ 82,930	$ 124,723		$ 124,723	$ 9,724	51.00	1.96%	60.00	1.67%	$ 1,626	$ 2,079	$ 81	$ 3,786	$ 3,750	-$ 36
1855	Distribution Services - OH Conductors	$ 102,913	$ -	$ 102,913	$ 121,548		$ 121,548	$ 11,026	33.00	3.03%	40.00	2.50%	$ 3,119	$ 3,039	$ 138	$ 6,295	$ 6,133	-$ 162
1860	Distribution Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Inventory	$ 14,766	$ -	$ 14,766	$ -		$ -	$ -	12.00	8.33%	15.00	6.67%	$ 1,231	$ -	$ -	$ 1,231	$ 1,100	-$ 131
1860	Distribution Meters - Residential Energy Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Ind/Com Energy Meters	$ 9,981	$ -	$ 9,981	$ -		$ -	$ -	20.00	5.00%	25.00	4.00%	$ 499	$ -	$ -	$ 499	$ 381	-$ 118
1860	Distribution Meters - Wholesale Energy Meters	$ 71,394	$ -	$ 71,394	$ 6,903		$ 6,903	$ 13,317	21.00	4.76%	30.00	3.33%	$ 3,400	$ 230	$ 222	$ 3,852	$ 3,800	-$ 52
1860	Distribution Meters - Current & Potential Meters	$ 1,884	$ -	$ 1,884	$ 51,506		$ 51,506	$ -	25.00	4.00%	25.00	4.00%	$ 75	$ 2,060	$ -	$ 2,136	$ 2,137	$ 1
1860	Distribution Meters-Smart	$ 426,790	$ 91,888	$ 334,902	$ 342,427	$ 47,164	$ 295,263	$ 154,346	9.20	10.87%	15.00	6.67%	$ 36,402	$ 19,684	$ 5,145	$ 61,231	$ 61,108	-$ 123
1860	Distribution Meters-Smart-Repeaters	$ 240	$ -	$ 240	$ -		$ -	$ -	5.00	20.00%	5.00	20.00%	$ 48	$ -	$ -	$ 48	$ -	-$ 48
1860	Distribution Meters-Smart-Data Collectors	$ 19,055	$ 19,055	-$ 0	$ 997		$ 997	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 199	$ -	$ 199	$ 199	$ 0
1860	Distribution Meters-Stranded	$ 0	$ -	$ 0	$ -		$ -	$ -	25.00	4.00%	25.00	4.00%	$ 0	$ -	$ -	$ 0	$ -	-$ 0
1860	Distribution Meters-Inventory	$ 47,566	$ -	$ 47,566	$ 54,741		$ 54,741	-$ 25,195	15.00	6.67%	15.00	6.67%	$ 3,171	$ 3,649	-$ 840	$ 5,981	$ -	-$ 5,981
1905	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (5 years)	$ 38,170	$ -	$ 38,170	$ 23,536		$ 23,536	$ 14,011	10.00	10.00%	10.00	10.00%	$ 3,817	$ 2,354	$ 701	$ 6,871	$ 6,175	-$ 696
1920	Computer Equipment - Hardware	$ 148,916	$ 45,942	$ 102,974	$ 144,251	$ 19,216	$ 125,035	$ 53,662	4.50	22.22%	5.00	20.00%	$ 22,883	$ 25,007	$ 5,366	$ 53,256	$ 51,239	-$ 2,017
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment - Trucks and Buckets	$ 354,414	$ -	$ 354,414	$ -		$ -	$ -	10.00	10.00%	10.00	10.00%	$ 35,441	$ -	$ -	$ 35,441	$ 32,289	-$ 3,153
1930	Transportation Equipment - Trailers	$ 2,478	$ -	$ 2,478	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 310	$ -	$ -	$ 310	$ -	-$ 310
1930	Transportation Equipment - Pick-ups/Vans/Cars	$ 26,668	$ 26,668	-$ 0	$ 67,051		$ 67,051	$ 38,401	5.00	20.00%	5.00	20.00%	-$ 0	$ 13,410	$ 3,840	$ 17,250	$ 11,340	-$ 5,910
1935	Stores Equipment	$ 1,497	$ -	$ 1,497	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 187	$ -	$ -	$ 187	$ 236	$ 49
1940	Tools, Shop & Garage Equipment	$ 4,032	$ -	$ 4,032	$ 17,838		$ 17,838	$ 3,795	10.00	10.00%	10.00	10.00%	$ 403	$ 1,784	$ 190	$ 2,377	$ 2,329	-$ 48
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ 24,683		$ 24,683	$ -	10.00	10.00%	10.00	10.00%	$ -	$ 2,468	$ -	$ 2,468	$ 2,468	-$ 0
1950	Power Operated Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 9,262	$ 9,262	-$ 0	$ 13,983		$ 13,983	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 2,797	$ -	$ 2,796	$ 2,797	$ 0
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 87,770	$ -	$ 87,770	$ 188,031		$ 188,031	$ 7,835	6.50	15.38%	10.00	10.00%	$ 13,503	$ 18,803	$ 392	$ 32,698	$ 33,222	$ 524
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
2440	Deferred Revenue[5]	-$ 330,563	$ -	-$ 330,563	-$ 113,287		-$ 113,287	-$ 25,840	34.50	2.90%	35.00	2.86%	-$ 9,582	-$ 3,237	-$ 369	-$ 13,187	-$ 12,503	$ 684
2005	Property Under Finance Lease[7]	$ -	$ -	$ -			$ -			0.00%		0.00%	$ -	$ -	$ -	$ -		$ -
	Total	**$ 5,759,330**	**$ 440,482**	**$ 5,318,848**	**$ 4,792,158**	**$ 118,985**	**$ 4,673,173**	**$ 630,984**					**$ 247,061**	**$ 200,277**	**$ 21,800**	**$ 469,138**	**$ 446,608**	**-$ 22,529**

Table 27 – 2020 Depreciation Expense

2020		Book Values							Service Lives				Depreciation Expense					
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	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	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]
		a	b	c = a-b	d	e	f = d- e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1609	Capital Contributions Paid	$ -	$ -	$ -	$ 838,765		$ 838,765	$ -	25.00	4.00%	25.00	4.00%	$ -	$ 33,551	$ -	$ 33,551	$ 33,551	$ 0
1611	Computer Software (Formally known as Account 1925)	$ 236,661	$ 251,259	-$ 14,598	$ 169,024		$ 169,024	$ 60,000	2.70	37.04%	5.00	20.00%	-$ 5,407	$ 33,805	$ 6,000	$ 34,398	$ 35,477	$ 1,078
1612	Land Rights (Formally known as Account 1906)	$ 19,240	$ -	$ 19,240	$ 9,411		$ 9,411	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings & Fixtures - MF Building	$ 176,972	$ -	$ 176,972	$ 40,075		$ 40,075	$ -	34.50	2.90%	60.00	1.67%	$ 5,130	$ 668	$ -	$ 5,798	$ 4,503	-$ 1,294
1808	Buildings & Fixtures - MF Fence/Parking/Roof	$ 34,682	$ -	$ 34,682	$ 10,385		$ 10,385	$ -	20.50	4.88%	25.00	4.00%	$ 1,692	$ 415	$ -	$ 2,107	$ 2,110	$ 3
1808	Buildings & Fixtures - MF Fixture/Flooring	$ 15,884	$ -	$ 15,884	$ 36,701		$ 36,701	$ 15,000	8.50	11.76%	15.00	6.67%	$ 1,869	$ 2,447	$ 500	$ 4,815	$ 4,799	-$ 16
1808	Buildings & Fixtures - MF HVAC/Plumbing/Comm	$ 17,683	$ -	$ 17,683	$ 23,789		$ 23,789	$ 30,000	11.60	8.62%	15.00	6.67%	$ 1,524	$ 1,586	$ 1,000	$ 4,110	$ 4,102	-$ 8
1808	Buildings & Fixtures - AR Building	$ 3,421	$ -	$ 3,421	$ -		$ -	$ -	45.50	2.20%	60.00	1.67%	$ 75	$ -	$ -	$ 75	$ 58	-$ 18
1808	Buildings & Fixtures - AR Fence/Parking/Roof	$ 10,882	$ -	$ 10,882	$ -		$ -	$ -	21.00	4.76%	25.00	4.00%	$ 518	$ -	$ -	$ 518	$ 518	$ 0
1808	Buildings & Fixtures - E.S. Shed Building	$ 32,500	$ -	$ 32,500	$ -		$ -	$ -	49.50	2.02%	60.00	1.67%	$ 657	$ -	$ -	$ 657	$ 616	-$ 41
1808	Buildings & Fixtures - E.S. Shed Fixture/Flooring	$ 2,169	$ -	$ 2,169	$ -		$ -	$ -	4.00	25.00%	15.00	6.67%	$ 542	$ -	$ -	$ 542	$ -	-$ 542
1808	Buildings & Fixtures - E.S. Shed Fence/Parking/Roof	$ 1,067	$ -	$ 1,067	$ -		$ -	$ -	15.00	6.67%	25.00	4.00%	$ 71	$ -	$ -	$ 71	$ 71	$ 0
1808	Buildings & Fixtures - W.S. Shed	$ -	$ -	$ -	$ -		$ -	$ -	60.00	1.67%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Sub Stations Power - Overall	$ 166,847	$ 1,459	$ 165,388	$ 604,742		$ 604,742	$ -	33.00	3.03%	45.00	2.22%	$ 5,012	$ 13,439	$ -	$ 18,450	$ 18,440	-$ 11
1820	Sub Stations Power - Bushing	$ 10,876	$ -	$ 10,876	$ 16,593		$ 16,593	$ -	16.00	6.25%	20.00	5.00%	$ 680	$ 830	$ -	$ 1,509	$ 1,509	$ 0
1820	Sub Stations Power - Tap Changer	$ 32,006	$ -	$ 32,006	$ -		$ -	$ -	15.50	6.45%	30.00	3.33%	$ 2,065	$ -	$ -	$ 2,065	$ 2,097	$ 32
1820	Sub Stations Switchgear - Overall	$ 106,833	$ -	$ 106,833	$ 264,451		$ 264,451	$ -	24.00	4.17%	40.00	2.50%	$ 4,451	$ 6,611	$ -	$ 11,063	$ 11,015	-$ 48
1820	Sub Stations - Station Switch	$ 35,228	$ -	$ 35,228	$ 248,194		$ 248,194	$ -	32.00	3.13%	50.00	2.00%	$ 1,101	$ 4,964	$ -	$ 6,065	$ 6,080	$ 15
1820	Sub Stations - Rigid Busbars	$ 17,731	$ -	$ 17,731	$ -		$ -	$ -	41.00	2.44%	55.00	1.82%	$ 432	$ -	$ -	$ 432	$ 423	-$ 10
1820	Sub Stations - Steel Structure	$ 17,614	$ -	$ 17,614	$ 43,889		$ 43,889	$ -	34.50	2.90%	50.00	2.00%	$ 511	$ 878	$ -	$ 1,388	$ 1,386	-$ 2
1820	Sub Stations - Fence	$ 13,631	$ -	$ 13,631	$ 55,035		$ 55,035	$ -	15.00	6.67%	25.00	4.00%	$ 909	$ 2,201	$ -	$ 3,110	$ 2,865	-$ 245
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles Towers & Fixtures - Wood	$ 1,816,106	$ 8,632	$ 1,807,474	$ 1,007,754		$ 1,007,754	$ 165,000	37.00	2.70%	45.00	2.22%	$ 48,851	$ 22,395	$ 1,833	$ 73,079	$ 71,275	-$ 1,804
1830	Poles Towers & Fixtures - Concrete	$ 167,725	$ 4,438	$ 163,287	$ -		$ -	$ -	48.00	2.08%	60.00	1.67%	$ 3,402	$ -	$ -	$ 3,402	$ 2,994	-$ 408
1830	Poles Towers & Fixtures - Steel	$ 2,521	$ -	$ 2,521	$ -		$ -	$ -	50.00	2.00%	60.00	1.67%	$ 50	$ -	$ -	$ 50	$ 48	-$ 3
1830	Poles Towers & Fixtures - Switches	$ -	$ -	$ -	$ 41,920		$ 41,920	$ -	45.00	2.22%	45.00	2.22%	$ -	$ 932	$ -	$ 932	$ 932	-$ 0
1835	O/H Conductors & Devices - Conductors	$ 454,673	$ 719	$ 453,954	$ 459,037		$ 459,037	$ 85,000	50.00	2.00%	60.00	1.67%	$ 9,079	$ 7,651	$ 708	$ 17,438	$ 17,461	$ 23
1835	O/H Conductors & Devices - Line Switch	$ 4,658	$ -	$ 4,658	$ 26,993		$ 26,993	$ -	45.00	2.22%	45.00	2.22%	$ 104	$ 600	$ -	$ 703	$ 704	$ 1
1835	O/H Conductors & Devices - Reclosers	$ -	$ -	$ -	$ 304,704		$ 304,704	$ -	40.00	2.50%	40.00	2.50%	$ -	$ 7,618	$ -	$ 7,618	$ 7,914	$ 297
1840	U/G Conduit-Concret encased duct banks	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1840	U/G Conduit-Ducts	$ -	$ -	$ -	$ -		$ -	$ -	50.00	2.00%	50.00	2.00%	$ -	$ -	$ -	$ -	$ 18	$ 18
1840	U/G Conduit-UG Foundations	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1845	Underground Conductors & Devices	$ 323,224	$ -	$ 323,224	$ 255,985		$ 255,985	$ 35,000	33.00	3.03%	40.00	2.50%	$ 9,795	$ 6,400	$ 438	$ 16,632	$ 16,511	-$ 120
1850	Distribution Transformers - Overhead	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1850	Distribution Transformers - Inventory	$ 158,535	$ -	$ 158,535	$ 1,744		$ 1,744	$ -	40.00	2.50%	40.00	2.50%	$ 3,963	$ 44	$ -	$ 4,007	$ 1,837	-$ 2,170
1850	Distribution Transformers - UG Pad-Mounted Trans	$ 437,846	$ 19,690	$ 418,156	$ 136,847		$ 136,847	$ 45,000	31.00	3.23%	40.00	2.50%	$ 13,489	$ 3,421	$ 563	$ 17,473	$ 18,182	$ 709
1850	Distribution Transformers - OH Trans & Voltage Reg	$ 321,955	$ 14,075	$ 307,880	$ 341,856		$ 341,856	$ 20,000	31.00	3.23%	40.00	2.50%	$ 9,932	$ 8,546	$ 250	$ 18,728	$ 20,606	$ 1,878
1855	Distribution Services - UG Secondary in Duct	$ 82,930	$ -	$ 82,930	$ 134,447		$ 134,447	$ 25,000	51.00	1.96%	60.00	1.67%	$ 1,626	$ 2,241	$ 208	$ 4,075	$ 4,040	-$ 36
1855	Distribution Services - OH Conductors	$ 102,913	$ -	$ 102,913	$ 132,574		$ 132,574	$ 10,000	33.00	3.03%	40.00	2.50%	$ 3,119	$ 3,314	$ 125	$ 6,558	$ 6,395	-$ 162
1860	Distribution Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Inventory	$ 14,766	$ -	$ 14,766	$ -		$ -	$ -	12.00	8.33%	15.00	6.67%	$ 1,231	$ -	$ -	$ 1,231	$ 1,100	-$ 131
1860	Distribution Meters - Residential Energy Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Ind/Com Energy Meters	$ 9,981	$ -	$ 9,981	$ -		$ -	$ -	20.00	5.00%	25.00	4.00%	$ 499	$ -	$ -	$ 499	$ 381	-$ 118
1860	Distribution Meters - Wholesale Energy Meters	$ 71,394	$ -	$ 71,394	$ 20,220		$ 20,220	$ -	21.00	4.76%	30.00	3.33%	$ 3,400	$ 674	$ -	$ 4,074	$ 4,022	-$ 52
1860	Distribution Meters - Current & Potential Meters	$ 1,884	$ -	$ 1,884	$ 51,506		$ 51,506	$ -	25.00	4.00%	25.00	4.00%	$ 75	$ 2,060	$ -	$ 2,136	$ 2,137	$ 1
1860	Distribution Meters-Smart	$ 426,790	$ 139,052	$ 287,738	$ 496,773		$ 496,773	$ 50,000	9.20	10.87%	15.00	6.67%	$ 31,276	$ 33,118	$ 1,667	$ 66,061	$ 66,921	$ 861
1860	Distribution Meters-Smart-Repeaters	$ 240	$ -	$ 240	$ -		$ -	$ -	5.00	20.00%	5.00	20.00%	$ 48	$ -	$ -	$ 48	$ -	-$ 48
1860	Distribution Meters-Smart-Data Collectors	$ 19,055	$ 19,055	-$ 0	$ 997		$ 997	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 199	$ -	$ 199	$ 199	$ 0
1860	Distribution Meters-Stranded	$ 0	$ -	$ 0	$ -		$ -	$ -	25.00	4.00%	25.00	4.00%	$ 0	$ -	$ -	$ 0	$ -	-$ 0
1860	Distribution Meters-Inventory	$ 47,566	$ -	$ 47,566	$ 29,546		$ 29,546	$ -	15.00	6.67%	15.00	6.67%	$ 3,171	$ 1,970	$ -	$ 5,141	$ 2,641	-$ 2,500
1905	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (5 years)	$ 38,170	$ -	$ 38,170	$ 37,547		$ 37,547	$ -	10.00	10.00%	10.00	10.00%	$ 3,817	$ 3,755	$ -	$ 7,572	$ 6,609	-$ 962
1920	Computer Equipment - Hardware	$ 148,916	$ 148,916	$ 0	$ 197,913		$ 197,913	$ 80,000	3.10	32.26%	5.00	20.00%	$ 0	$ 39,583	$ 8,000	$ 47,583	$ 45,743	-$ 1,839
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment - Trucks and Buckets	$ 354,414	$ -	$ 354,414	$ -		$ -	$ 345,000	10.00	10.00%	10.00	10.00%	$ 35,441	$ -	$ 17,250	$ 52,691	$ 48,099	-$ 4,593
1930	Transportation Equipment - Trailers	$ 2,478	$ -	$ 2,478	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 310	$ -	$ -	$ 310	$ -	-$ 310
1930	Transportation Equipment - Pick-ups/Vans/Cars	$ 26,668	$ 26,668	-$ 0	$ 105,452		$ 105,452	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 21,090	$ -	$ 21,090	$ 15,180	-$ 5,910
1935	Stores Equipment	$ 1,497	$ -	$ 1,497	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 187	$ -	$ -	$ 187	$ 81	-$ 106
1940	Tools, Shop & Garage Equipment	$ 4,032	$ -	$ 4,032	$ 21,633		$ 21,633	$ 3,000	10.00	10.00%	10.00	10.00%	$ 403	$ 2,163	$ 150	$ 2,716	$ 2,620	-$ 96
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ 24,683		$ 24,683	$ -	10.00	10.00%	10.00	10.00%	$ -	$ 2,468	$ -	$ 2,468	$ 2,468	-$ 0
1950	Power Operated Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 9,262	$ 9,262	-$ 0	$ 13,983		$ 13,983	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 2,797	$ -	$ 2,796	$ 2,797	$ 0
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 87,770	$ 65,245	$ 22,525	$ 195,866		$ 195,866	$ 15,000	6.50	15.38%	10.00	10.00%	$ 3,465	$ 19,587	$ 750	$ 23,802	$ 23,531	-$ 271
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
2440	Deferred Revenue[5]	-$ 330,563	$ -	-$ 330,563	-$ 139,127		-$ 139,127	-$ 20,000	34.50	2.90%	35.00	2.86%	-$ 9,582	-$ 3,975	-$ 286	-$ 13,842	-$ 13,000	$ 842
2005	Property Under Finance Lease[7]	$ -	$ -	$ -			$ -			0.00%		0.00%	$ -	$ -	$ -	$ -		$ -
	Total	**$ 5,759,330**	**$ 708,470**	**$ 5,050,860**	**$ 5,423,141**	**$ -**	**$ 5,423,141**	**$ 963,000**					**$ 198,982**	**$ 256,493**	**$ 39,156**	**$ 494,630**	**$ 476,516**	**-$ 18,114**

Table 28 – 2021 Depreciation Expense

2021		Book Values							Service Lives				Depreciation Expense					
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	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	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]
		a	b	c = a-b	d	e	f = d- e	g	h	i = 1/h	j	k = 1/j	l = c/h	m = f/j	n = g*0.5/j	o = l+m+n	p	q = p-o
1609	Capital Contributions Paid	$ -	$ -	$ -	$ 838,765		$ 838,765	$ -	25.00	4.00%	25.00	4.00%	$ -	$ 33,551	$ -	$ 33,551	$ 33,551	$ 0
1611	Computer Software (Formally known as Account 1925)	$ 236,661	$ 251,259	-$ 14,598	$ 229,024	$ 32,294	$ 196,730	$ 53,000	2.70	37.04%	5.00	20.00%	-$ 5,407	$ 39,346	$ 5,300	$ 39,239	$ 37,677	-$ 1,563
1612	Land Rights (Formally known as Account 1906)	$ 19,240	$ -	$ 19,240	$ 9,411		$ 9,411	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1805	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1808	Buildings & Fixtures - MF Building	$ 176,972	$ -	$ 176,972	$ 40,075		$ 40,075	$ -	34.50	2.90%	60.00	1.67%	$ 5,130	$ 668	$ -	$ 5,798	$ 4,503	-$ 1,294
1808	Buildings & Fixtures - MF Fence/Parking/Roof	$ 34,682	$ -	$ 34,682	$ 10,385		$ 10,385	$ -	20.50	4.88%	25.00	4.00%	$ 1,692	$ 415	$ -	$ 2,107	$ 2,110	$ 3
1808	Buildings & Fixtures - MF Fixture/Flooring	$ 15,884	$ -	$ 15,884	$ 51,701		$ 51,701	$ 25,000	8.50	11.76%	15.00	6.67%	$ 1,869	$ 3,447	$ 833	$ 6,149	$ 5,669	-$ 480
1808	Buildings & Fixtures - MF HVAC/Plumbing/Comm	$ 17,683	$ -	$ 17,683	$ 53,789		$ 53,789	$ 25,000	11.60	8.62%	15.00	6.67%	$ 1,524	$ 3,586	$ 833	$ 5,944	$ 5,298	-$ 646
1808	Buildings & Fixtures - AR Building	$ 3,421	$ -	$ 3,421	$ -		$ -	$ -	45.50	2.20%	60.00	1.67%	$ 75	$ -	$ -	$ 75	$ 58	-$ 18
1808	Buildings & Fixtures - AR Fence/Parking/Roof	$ 10,882	$ -	$ 10,882	$ -		$ -	$ -	21.00	4.76%	25.00	4.00%	$ 518	$ -	$ -	$ 518	$ 518	$ 0
1808	Buildings & Fixtures - E.S. Shed Building	$ 32,500	$ -	$ 32,500	$ -		$ -	$ -	49.50	2.02%	60.00	1.67%	$ 657	$ -	$ -	$ 657	$ 616	-$ 41
1808	Buildings & Fixtures - E.S. Shed Fixture/Flooring	$ 2,169	$ -	$ 2,169	$ -		$ -	$ -	4.00	25.00%	15.00	6.67%	$ 542	$ -	$ -	$ 542	$ -	-$ 542
1808	Buildings & Fixtures - E.S. Shed Fence/Parking/Roof	$ 1,067	$ -	$ 1,067	$ -		$ -	$ -	15.00	6.67%	25.00	4.00%	$ 71	$ -	$ -	$ 71	$ 71	$ 0
1808	Buildings & Fixtures - W.S. Shed	$ -	$ -	$ -	$ -		$ -	$ -	60.00	1.67%	60.00	1.67%	$ -	$ -	$ -	$ -	$ -	$ -
1810	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1815	Transformer Station Equipment >50 kV	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1820	Sub Stations Power - Overall	$ 166,847	$ 1,459	$ 165,388	$ 1,007,680		$ 1,007,680	$ -	33.00	3.03%	45.00	2.22%	$ 5,012	$ 22,393	$ -	$ 27,405	$ 27,394	-$ 11
1820	Sub Stations Power - Bushing	$ 10,876	$ -	$ 10,876	$ 16,593		$ 16,593	$ -	16.00	6.25%	20.00	5.00%	$ 680	$ 830	$ -	$ 1,509	$ 1,509	$ 0
1820	Sub Stations Power - Tap Changer	$ 32,006	$ -	$ 32,006	$ -		$ -	$ -	15.50	6.45%	30.00	3.33%	$ 2,065	$ -	$ -	$ 2,065	$ 2,097	$ 32
1820	Sub Stations Switchgear - Overall	$ 106,833	$ -	$ 106,833	$ 496,117		$ 496,117	$ -	24.00	4.17%	40.00	2.50%	$ 4,451	$ 12,403	$ -	$ 16,854	$ 16,807	-$ 48
1820	Sub Stations - Station Switch	$ 35,228	$ -	$ 35,228	$ 930,223		$ 930,223	$ -	32.00	3.13%	50.00	2.00%	$ 1,101	$ 18,604	$ -	$ 19,705	$ 19,720	$ 15
1820	Sub Stations - Rigid Busbars	$ 17,731	$ -	$ 17,731	$ -		$ -	$ -	41.00	2.44%	55.00	1.82%	$ 432	$ -	$ -	$ 432	$ 423	-$ 10
1820	Sub Stations - Steel Structure	$ 17,614	$ -	$ 17,614	$ 206,975		$ 206,975	$ -	34.50	2.90%	50.00	2.00%	$ 511	$ 4,140	$ -	$ 4,650	$ 4,648	-$ 2
1820	Sub Stations - Fence	$ 13,631	$ -	$ 13,631	$ 91,276		$ 91,276	$ -	15.00	6.67%	25.00	4.00%	$ 909	$ 3,651	$ -	$ 4,560	$ 4,315	-$ 245
1825	Storage Battery Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1830	Poles Towers & Fixtures - Wood	$ 1,816,106	$ 8,632	$ 1,807,474	$ 1,227,203		$ 1,227,203	$ 170,000	37.00	2.70%	45.00	2.22%	$ 48,851	$ 27,271	$ 1,889	$ 78,011	$ 76,329	-$ 1,682
1830	Poles Towers & Fixtures - Concrete	$ 167,725	$ 4,438	$ 163,287	$ -		$ -	$ -	48.00	2.08%	60.00	1.67%	$ 3,402	$ -	$ -	$ 3,402	$ 2,994	-$ 408
1830	Poles Towers & Fixtures - Steel	$ 2,521	$ -	$ 2,521	$ -		$ -	$ -	50.00	2.00%	60.00	1.67%	$ 50	$ -	$ -	$ 50	$ 48	-$ 3
1830	Poles Towers & Fixtures - Switches	$ -	$ -	$ -	$ 41,920		$ 41,920	$ -	45.00	2.22%	45.00	2.22%	$ -	$ 932	$ -	$ 932	$ 932	-$ 0
1835	O/H Conductors & Devices - Conductors	$ 454,673	$ 719	$ 453,954	$ 580,296		$ 580,296	$ 82,000	50.00	2.00%	60.00	1.67%	$ 9,079	$ 9,672	$ 683	$ 19,434	$ 19,581	$ 147
1835	O/H Conductors & Devices - Line Switch	$ 4,658	$ -	$ 4,658	$ 26,993		$ 26,993	$ -	45.00	2.22%	45.00	2.22%	$ 104	$ 600	$ -	$ 703	$ 704	$ 1
1835	O/H Conductors & Devices - Reclosers	$ -	$ -	$ -	$ 304,704		$ 304,704	$ -	40.00	2.50%	40.00	2.50%	$ -	$ 7,618	$ -	$ 7,618	$ 7,914	$ 297
1840	U/G Conduit-Concret encased duct banks	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1840	U/G Conduit-Ducts	$ -	$ -	$ -	$ -		$ -	$ -	50.00	2.00%	50.00	2.00%	$ -	$ -	$ -	$ -	$ 18	$ 18
1840	U/G Conduit-UG Foundations	$ -	$ -	$ -	$ -		$ -	$ -	55.00	1.82%	55.00	1.82%	$ -	$ -	$ -	$ -	$ -	$ -
1845	Underground Conductors & Devices	$ 323,224	$ -	$ 323,224	$ 296,765		$ 296,765	$ 39,000	33.00	3.03%	40.00	2.50%	$ 9,795	$ 7,419	$ 488	$ 17,701	$ 17,581	-$ 120
1850	Distribution Transformers - Overhead	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1850	Distribution Transformers - Inventory	$ 158,535	$ -	$ 158,535	$ 1,744		$ 1,744	$ -	40.00	2.50%	40.00	2.50%	$ 3,963	$ 44	$ -	$ 4,007	$ 3,674	-$ 333
1850	Distribution Transformers - UG Pad-Mounted Trans	$ 437,846	$ 19,690	$ 418,156	$ 181,847		$ 181,847	$ 40,000	31.00	3.23%	40.00	2.50%	$ 13,489	$ 4,546	$ 500	$ 18,535	$ 19,244	$ 709
1850	Distribution Transformers - OH Trans & Voltage Reg	$ 321,955	$ 14,075	$ 307,880	$ 361,856		$ 361,856	$ 20,000	31.00	3.23%	40.00	2.50%	$ 9,932	$ 9,046	$ 250	$ 19,228	$ 21,106	$ 1,878
1855	Distribution Services - UG Secondary in Duct	$ 82,930	$ -	$ 82,930	$ 213,892		$ 213,892	$ 30,000	51.00	1.96%	60.00	1.67%	$ 1,626	$ 3,565	$ 250	$ 5,441	$ 5,859	$ 418
1855	Distribution Services - OH Conductors	$ 102,913	$ -	$ 102,913	$ 142,574		$ 142,574	$ 10,000	33.00	3.03%	40.00	2.50%	$ 3,119	$ 3,564	$ 125	$ 6,808	$ 6,645	-$ 162
1860	Distribution Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Inventory	$ 14,766	$ -	$ 14,766	$ -		$ -	$ -	12.00	8.33%	15.00	6.67%	$ 1,231	$ -	$ -	$ 1,231	$ 1,100	-$ 131
1860	Distribution Meters - Residential Energy Meters	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1860	Distribution Meters - Ind/Com Energy Meters	$ 9,981	$ -	$ 9,981	$ -		$ -	$ -	20.00	5.00%	25.00	4.00%	$ 499	$ -	$ -	$ 499	$ 381	-$ 118
1860	Distribution Meters - Wholesale Energy Meters	$ 71,394	$ -	$ 71,394	$ 20,220		$ 20,220	$ -	21.00	4.76%	30.00	3.33%	$ 3,400	$ 674	$ -	$ 4,074	$ 4,022	-$ 52
1860	Distribution Meters - Current & Potential Meters	$ 1,884	$ -	$ 1,884	$ 51,506		$ 51,506	$ -	25.00	4.00%	25.00	4.00%	$ 75	$ 2,060	$ -	$ 2,136	$ 2,137	$ 1
1860	Distribution Meters-Smart	$ 426,790	$ 139,052	$ 287,738	$ 546,773		$ 546,773	$ 50,000	9.20	10.87%	15.00	6.67%	$ 31,276	$ 36,452	$ 1,667	$ 69,394	$ 70,250	$ 856
1860	Distribution Meters-Smart-Repeaters	$ 240	$ -	$ 240	$ -		$ -	$ -	5.00	20.00%	5.00	20.00%	$ 48	$ -	$ -	$ 48	$ -	-$ 48
1860	Distribution Meters-Smart-Data Collectors	$ 19,055	$ 19,055	-$ 0	$ 997		$ 997	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 199	$ -	$ 199	$ 100	-$ 100
1860	Distribution Meters-Stranded	$ 0	$ -	$ 0	$ -		$ -	$ -	25.00	4.00%	25.00	4.00%	$ 0	$ -	$ -	$ 0	$ -	-$ 0
1860	Distribution Meters-Inventory	$ 47,566	$ -	$ 47,566	$ 29,546		$ 29,546	$ -	15.00	6.67%	15.00	6.67%	$ 3,171	$ 1,970	$ -	$ 5,141	$ 5,282	$ 142
1905	Land	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1908	Buildings & Fixtures	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1910	Leasehold Improvements	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (10 years)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1915	Office Furniture & Equipment (5 years)	$ 38,170	$ -	$ 38,170	$ 37,547		$ 37,547	$ 7,500	10.00	10.00%	10.00	10.00%	$ 3,817	$ 3,755	$ 375	$ 7,947	$ 6,984	-$ 962
1920	Computer Equipment - Hardware	$ 148,916	$ 148,916	$ 0	$ 277,913	$ 91,464	$ 186,449	$ 110,000	3.10	32.26%	5.00	20.00%	$ 0	$ 37,290	$ 11,000	$ 48,290	$ 46,772	-$ 1,517
1920	Computer Equip.-Hardware(Post Mar. 22/04)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1920	Computer Equip.-Hardware(Post Mar. 19/07)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1930	Transportation Equipment - Trucks and Buckets	$ 354,414	$ -	$ 354,414	$ 345,000		$ 345,000	$ -	9.50	10.53%	10.00	10.00%	$ 37,307	$ 34,500	$ -	$ 71,807	$ 65,259	-$ 6,548
1930	Transportation Equipment - Trailers	$ 2,478	$ -	$ 2,478	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 310	$ -	$ -	$ 310	$ -	-$ 310
1930	Transportation Equipment - Pick-ups/Vans/Cars	$ 26,668	$ 26,668	-$ 0	$ 105,452		$ 105,452	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 21,090	$ -	$ 21,090	$ 15,180	-$ 5,910
1935	Stores Equipment	$ 1,497	$ -	$ 1,497	$ -		$ -	$ -	8.00	12.50%	8.00	12.50%	$ 187	$ -	$ -	$ 187	$ -	-$ 187
1940	Tools, Shop & Garage Equipment	$ 4,032	$ -	$ 4,032	$ 24,633		$ 24,633	$ 2,500	10.00	10.00%	10.00	10.00%	$ 403	$ 2,463	$ 125	$ 2,991	$ 2,895	-$ 96
1945	Measurement & Testing Equipment	$ -	$ -	$ -	$ 24,683		$ 24,683	$ -	10.00	10.00%	10.00	10.00%	$ -	$ 2,468	$ -	$ 2,468	$ 2,468	-$ 0
1950	Power Operated Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1955	Communications Equipment	$ 9,262	$ 9,262	-$ 0	$ 13,983		$ 13,983	$ -	5.00	20.00%	5.00	20.00%	-$ 0	$ 2,797	$ -	$ 2,796	$ 1,457	-$ 1,339
1955	Communication Equipment (Smart Meters)	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1960	Miscellaneous Equipment	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1970	Load Management Controls Customer Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1975	Load Management Controls Utility Premises	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1980	System Supervisor Equipment	$ 87,770	$ 65,245	$ 22,525	$ 236,866		$ 236,866	$ -	6.50	15.38%	10.00	10.00%	$ 3,465	$ 23,687	$ -	$ 27,152	$ 26,881	-$ 271
1985	Miscellaneous Fixed Assets	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1990	Other Tangible Property	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
1995	Contributions & Grants	$ -	$ -	$ -	$ -		$ -	$ -	-	0.00%	-	0.00%	$ -	$ -	$ -	$ -	$ -	$ -
2440	Deferred Revenue[5]	-$ 330,563	$ -	-$ 330,563	-$ 159,127		-$ 159,127	-$ 30,000	34.50	2.90%	35.00	2.86%	-$ 9,582	-$ 4,546	-$ 429	-$ 14,557	-$ 13,500	$ 1,057
2005	Property Under Finance Lease[7]	$ -	$ -	$ -			$ -			0.00%		0.00%	$ -	$ -	$ -	$ -		$ -
	Total	**$ 5,759,330**	**$ 708,470**	**$ 5,050,860**	**$ 8,079,034**	**$ 123,758**	**$ 7,955,276**	**$ 634,000**					**$ 200,847**	**$ 348,617**	**$ 23,889**	**$ 573,354**	**$ 553,732**	**-$ 19,622**

4.8.3 DEPRECIATION EXPENSE ASSOCIATED WITH RETIREMENT OBLIGATION

WNP 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

WNP 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.

4.8.5 DEPRECIATION AND CAPITALIZATION POLICY

WNP's Depreciation rates and Capitalization Policy are presented below and also presented in Exhibit 2. [38] [39] [40]

Capitalization Policy

WNP's capitalization policy has not changed since its last Cost of Service in 2016. Capital assets are recorded at cost in accordance with MIFRS accounting principles as well as guidelines set out by the Ontario Energy Board, where applicable.

All expenditures by the Corporation are classified as either capital or operating expenditures. The intention of these classifications is to allocate costs across accounting periods in a manner that appropriately matches those costs with the related current and future economic benefits. The

---

[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.

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

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

[40] 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)

amount to be capitalized is the cost to acquire or construct a capital asset, including any ancillary costs incurred to place a capital asset into its intended state of operation. WNP does not capitalize interest on funds used for construction.

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

- ✓ Assets that are intended to be used on an on-going basis and are expected to provide future economic benefit (generally considered to be greater than one year) will be capitalized.
- ✓ General Plant items with an estimated useful life greater than one year and valued at greater than $500 will be capitalized.
- ✓ Expenditures that create a physical betterment or improvement of the asset (i.e., there is a significant increase in the physical output or service capacity, or the useful life of the capital asset is extended) will be capitalized.

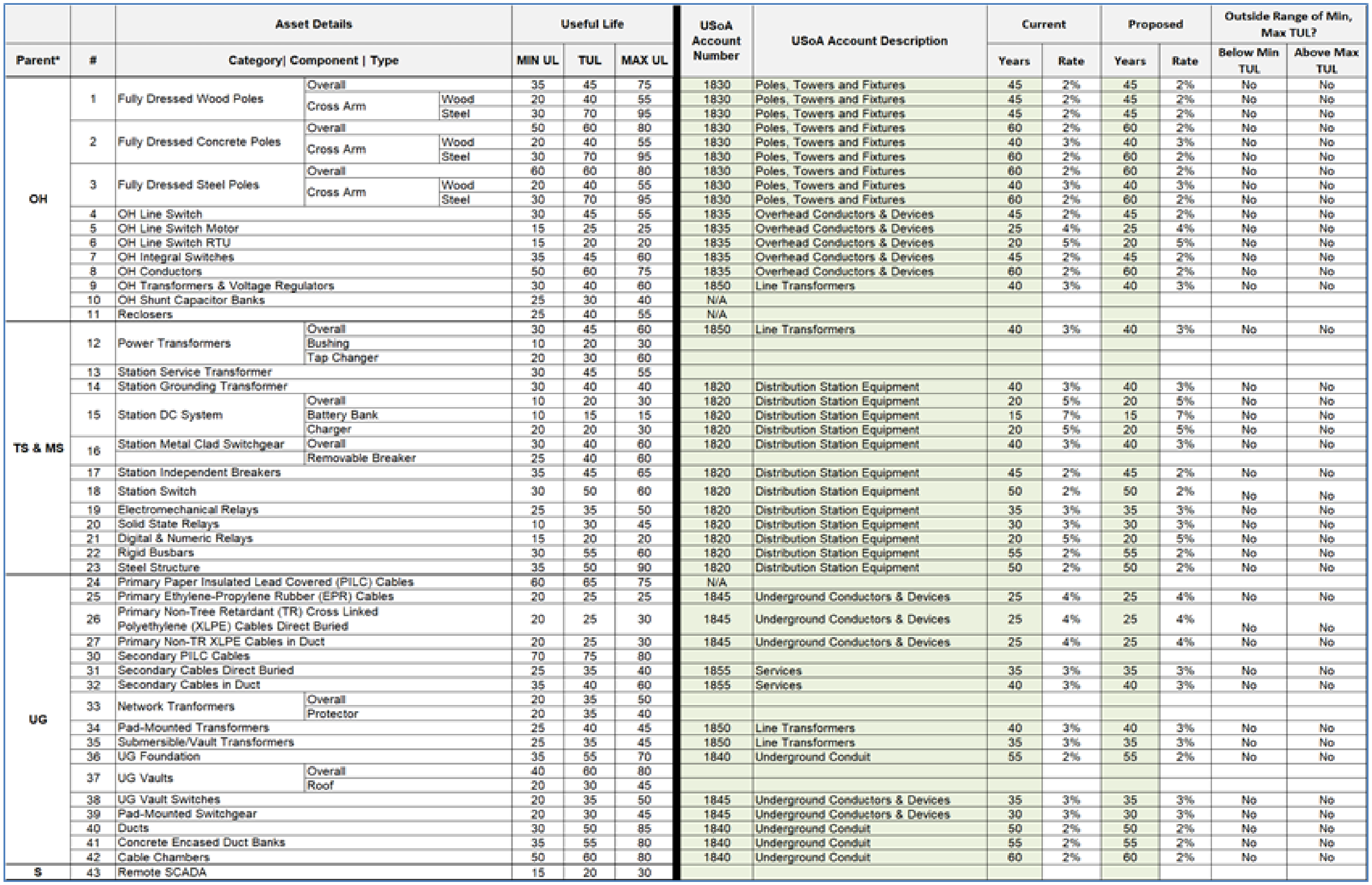
Indirect overhead costs, such as general and administration costs that are not directly attributable to an asset, are not capitalized.[41] The Depreciation and Capitalization Policy is included in Appendix 4E.

---

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

Table 29 - Depreciation Rates Appendix 2-BB

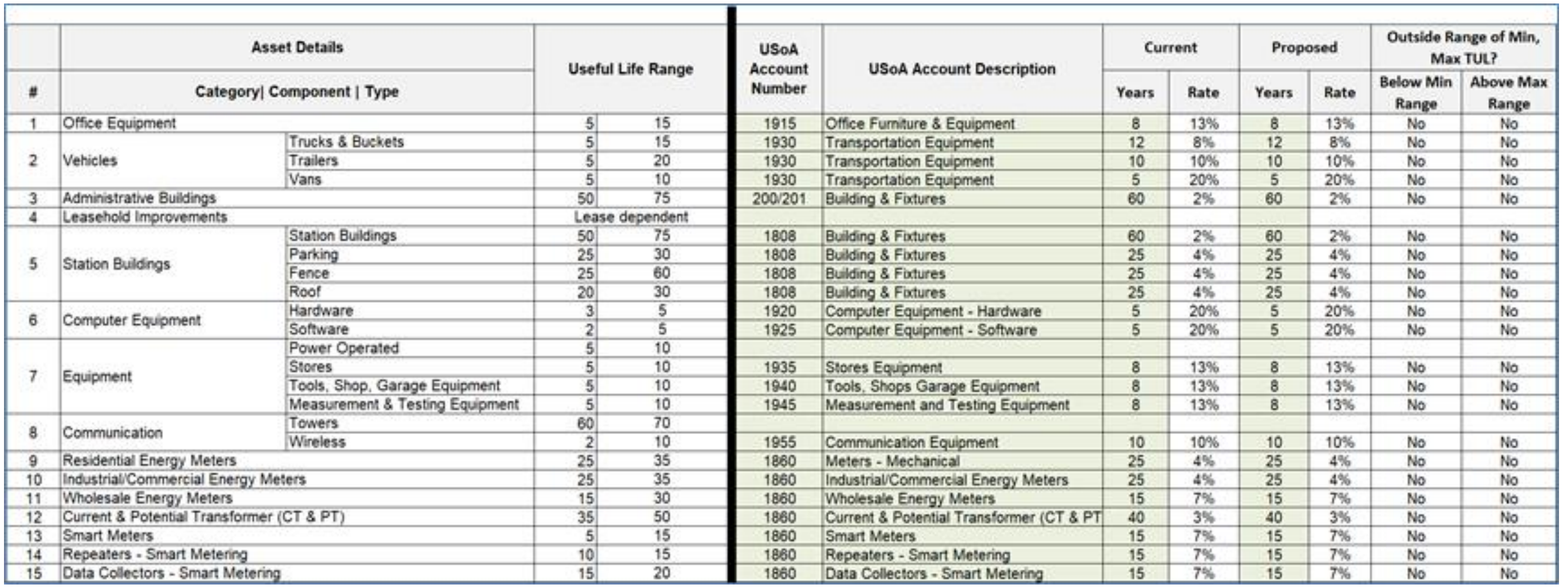
Service Life Comparison: Table F-1 from Kinectrics Report



		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		35	45	75	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
			Cross Arm	Wood	20	40	55	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
				Steel	30	70	95	1830	Poles, Towers and Fixtures	45	2%	45	2%	No	No
	2	Fully Dressed Concrete Poles	Overall		50	60	80	1830	Poles, Towers and Fixtures	60	2%	60	2%	No	No
			Cross Arm	Wood	20	40	55	1830	Poles, Towers and Fixtures	40	3%	40	3%	No	No
				Steel	30	70	95	1830	Poles, Towers and Fixtures	60	2%	60	2%	No	No
	3	Fully Dressed Steel Poles	Overall		60	60	80	1830	Poles, Towers and Fixtures	60	2%	60	2%	No	No
			Cross Arm	Wood	20	40	55	1830	Poles, Towers and Fixtures	40	3%	40	3%	No	No
				Steel	30	70	95	1830	Poles, Towers and Fixtures	60	2%	60	2%	No	No
	4	OH Line Switch			30	45	55	1835	Overhead Conductors & Devices	45	2%	45	2%	No	No
	5	OH Line Switch Motor			15	25	25	1835	Overhead Conductors & Devices	25	4%	25	4%	No	No
	6	OH Line Switch RTU			15	20	20	1835	Overhead Conductors & Devices	20	5%	20	5%	No	No
	7	OH Integral Switches			35	45	60	1835	Overhead Conductors & Devices	45	2%	45	2%	No	No
	8	OH Conductors			50	60	75	1835	Overhead Conductors & Devices	60	2%	60	2%	No	No
	9	OH Transformers & Voltage Regulators			30	40	60	1850	Line Transformers	40	3%	40	3%	No	No
	10	OH Shunt Capacitor Banks			25	30	40	N/A							
	11	Reclosers			25	40	55	N/A							
TS & MS	12	Power Transformers	Overall		30	45	60	1850	Line Transformers	40	3%	40	3%	No	No
			Bushing		10	20	30								
			Tap Changer		20	30	60								
	13	Station Service Transformer			30	45	55								
	14	Station Grounding Transformer			30	40	40	1820	Distribution Station Equipment	40	3%	40	3%	No	No
	15	Station DC System	Overall		10	20	30	1820	Distribution Station Equipment	20	5%	20	5%	No	No
			Battery Bank		10	15	15	1820	Distribution Station Equipment	15	7%	15	7%	No	No
			Charger		20	20	30	1820	Distribution Station Equipment	20	5%	20	5%	No	No
	16	Station Metal Clad Switchgear	Overall		30	40	60	1820	Distribution Station Equipment	40	3%	40	3%	No	No
			Removable Breaker		25	40	60								
	17	Station Independent Breakers			35	45	65	1820	Distribution Station Equipment	45	2%	45	2%	No	No
	18	Station Switch			30	50	60	1820	Distribution Station Equipment	50	2%	50	2%	No	No
	19	Electromechanical Relays			25	35	50	1820	Distribution Station Equipment	35	3%	35	3%	No	No
	20	Solid State Relays			10	30	45	1820	Distribution Station Equipment	30	3%	30	3%	No	No
	21	Digital & Numeric Relays			15	20	20	1820	Distribution Station Equipment	20	5%	20	5%	No	No
	22	Rigid Busbars			30	55	60	1820	Distribution Station Equipment	55	2%	55	2%	No	No
	23	Steel Structure			35	50	90	1820	Distribution Station Equipment	50	2%	50	2%	No	No
UG	24	Primary Paper Insulated Lead Covered (PILC) Cables			60	65	75	N/A							
	25	Primary Ethylene-Propylene Rubber (EPR) Cables			20	25	25	1845	Underground Conductors & Devices	25	4%	25	4%	No	No
	26	Primary Non-Tree Retardant (TR) Cross Linked Polyethylene (XLPE) Cables Direct Buried			20	25	30	1845	Underground Conductors & Devices	25	4%	25	4%	No	No
	27	Primary Non-TR XLPE Cables in Duct			20	25	30	1845	Underground Conductors & Devices	25	4%	25	4%	No	No
	30	Secondary PILC Cables			70	75	80								
	31	Secondary Cables Direct Buried			25	35	40	1855	Services	35	3%	35	3%	No	No
	32	Secondary Cables in Duct			35	40	60	1855	Services	40	3%	40	3%	No	No
	33	Network Tranformers	Overall		20	35	50								
			Protector		20	35	40								
	34	Pad-Mounted Transformers			25	40	45	1850	Line Transformers	40	3%	40	3%	No	No
	35	Submersible/Vault Transformers			25	35	45	1850	Line Transformers	35	3%	35	3%	No	No
	36	UG Foundation			35	55	70	1840	Underground Conduit	55	2%	55	2%	No	No
	37	UG Vaults	Overall		40	60	80								
			Roof		20	30	45								
	38	UG Vault Switches			20	35	50	1845	Underground Conductors & Devices	35	3%	35	3%	No	No
	39	Pad-Mounted Switchgear			20	30	45	1845	Underground Conductors & Devices	30	3%	30	3%	No	No
	40	Ducts			30	50	85	1840	Underground Conduit	50	2%	50	2%	No	No
	41	Concrete Encased Duct Banks			35	55	80	1840	Underground Conduit	55	2%	55	2%	No	No
	42	Cable Chambers			50	60	80	1840	Underground Conduit	60	2%	60	2%	No	No
S	43	Remote SCADA			15	20	30								

Table 30 - Depreciation Rates Appendix 2-BB

Service Life Comparison: Table F-2 from Kinectrics Report



	Asset Details		Useful Life Range		USoA Account Number	USoA Account Description	Current		Proposed		Outside Range of Min, Max TUL?	
#	Category| Component | Type						Years	Rate	Years	Rate	Below Min Range	Above Max Range
1	Office Equipment		5	15	1915	Office Furniture & Equipment	8	13%	8	13%	No	No
2	Vehicles	Trucks & Buckets	5	15	1930	Transportation Equipment	12	8%	12	8%	No	No
		Trailers	5	20	1930	Transportation Equipment	10	10%	10	10%	No	No
		Vans	5	10	1930	Transportation Equipment	5	20%	5	20%	No	No
3	Administrative Buildings		50	75	200/201	Building & Fixtures	60	2%	60	2%	No	No
4	Leasehold Improvements		Lease dependent									
5	Station Buildings	Station Buildings	50	75	1808	Building & Fixtures	60	2%	60	2%	No	No
		Parking	25	30	1808	Building & Fixtures	25	4%	25	4%	No	No
		Fence	25	60	1808	Building & Fixtures	25	4%	25	4%	No	No
		Roof	20	30	1808	Building & Fixtures	25	4%	25	4%	No	No
6	Computer Equipment	Hardware	3	5	1920	Computer Equipment - Hardware	5	20%	5	20%	No	No
		Software	2	5	1925	Computer Equipment - Software	5	20%	5	20%	No	No
7	Equipment	Power Operated	5	10								
		Stores	5	10	1935	Stores Equipment	8	13%	8	13%	No	No
		Tools, Shop, Garage Equipment	5	10	1940	Tools, Shops Garage Equipment	8	13%	8	13%	No	No
		Measurement & Testing Equipment	5	10	1945	Measurement and Testing Equipment	8	13%	8	13%	No	No
8	Communication	Towers	60	70								
		Wireless	2	10	1955	Communication Equipment	10	10%	10	10%	No	No
9	Residential Energy Meters		25	35	1860	Meters - Mechanical	25	4%	25	4%	No	No
10	Industrial/Commercial Energy Meters		25	35	1860	Industrial/Commercial Energy Meters	25	4%	25	4%	No	No
11	Wholesale Energy Meters		15	30	1860	Wholesale Energy Meters	15	7%	15	7%	No	No
12	Current & Potential Transformer (CT & PT)		35	50	1860	Current & Potential Transformer (CT & PT	40	3%	40	3%	No	No
13	Smart Meters		5	15	1860	Smart Meters	15	7%	15	7%	No	No
14	Repeaters - Smart Metering		10	15	1860	Repeaters - Smart Metering	15	7%	15	7%	No	No
15	Data Collectors - Smart Metering		15	20	1860	Data Collectors - Smart Metering	15	7%	15	7%	No	No

4.9 TAXES & PAYMENTS IN LIEU OF TAXES (PILS)

4.9.1 OVERVIEW OF PILS

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

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

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

WNP has used the OEB’s 2021 Test Year Income Tax and PILs Work Form model to calculate the amount of taxes for inclusion in its’ 2021 Test Year rates. This workform model has been filed in conjunction with this application with a copy included in Appendix F. PILs have been calculated under MIFRS accounting policies. The PILs model has been reviewed by WNP’s external auditor KPMG to ensure that the current and proposed tax rates have been applied, that the amount of PILs calculated appears reasonable and that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to.

WNPs PILs taxes for the 2021 Test Year, under MIFRS accounting policies, are $0.

The income tax sheet from the Revenue Requirement Work form is presented on the next page, and the PILs model is being filed in conjunction with this application.[42] Actual most recent federal and provincial tax returns are presented in Appendix G and Appendix H of this Exhibit. [43]

---

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

[43] MFR - Most recent federal and provincial tax returns

The only other taxes than the PILs presented in this Exhibit[44] are property taxes which have been consistent as shown in the table 42.

Table 31 - Tax Provision for the Test Year

Particulars	Application
Determination of Taxable Income	
Utility net income before taxes	$419,241
Adjustments required to arrive at taxable utility income	($419,241)
Taxable income	$ -
Calculation of Utility income Taxes	
Income taxes	$ -
Capital taxes	$ -
Total taxes	$ -
Gross-up of Income Taxes	$ -
Grossed-up Income Taxes	$ -
PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$ -
Other tax Credits	$ -
Tax Rates	
Federal tax (%)	0.00%
Provincial tax (%)	0.00%
Total tax rate (%)	0.00%

WNP is not claiming Apprenticeship Training Tax Credits.

Table 32 – Property Taxes

	MIFRS	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**	**MIFRS**
Particular	**Last Board Approved**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Property Taxes	$14,000	$13,494	$13,282	$12,892	$12,561	$14,000	$14,000

---

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

WNP confirms that it has use of the stand-alone principle when determining PILs amounts.

- ✓ WNP has exercised sound tax planning and that for rate setting purposes, it maximized tax credits and take the maximum deductions allowed if it made sense for the utility to do so.
- ✓ WNP has excluded from PILs calculations both when they were created, and when they were collected, regardless of the actual tax treatment accorded those amounts.
- ✓ A copy of the most recent Federal and Provincial tax is presented in Attachment 1 of this Exhibit. [45]
- ✓ Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed along with this application.
- ✓ There were no adjustments (e.g., Tax credits[46], CCA adjustments) for the Historical, Bridge and Test Years and as such, no supporting schedules and calculations and explanations for “other additions” and “other deductions” were required. [47][48]

---

[45] MFR - Financial Statements included with tax returns if different from those filed with application

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

[47] MFR - Supporting schedules and calculations identifying reconciling items and other additions and deductions

[48] 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.

4.10 NON- RECOVERABLE AND DISALLOWED EXPENSES[49]

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

---

[49] MFR - Exclude from regulatory tax calculation any non-recoverable or disallowed expenses

4.11 PILS INTERGRITY CHECK [50]

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

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

---

[50] MFR - Completion of Integrity checks listed on p.41; statement confirming completion

4.12 CONSERVATION AND DEMAND MANAGEMENT

4.12.1 CONSERVATION AND DEMAND MANAGEMENT OVERVIEW

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

The Guideline for Electricity Distributor Conservation and Demand Management (EB-2012-0003, the "2012 CDM Guidelines"), dated April 26, 2012, describes the mechanism to capture the difference between the results of actual verified impacts of authorized CDM activities undertaken by the distributor between 2011 and 2014 and the level of activities embedded into rates through the distributor's load forecast. This guideline also describes the establishment of the LRAM Variance Account and the method to record the related lost revenues.

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

The Report of the OEB, "*Updated Policy for the Lost Revenue Adjustment Mechanism Calculation:*

Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs" (EB-2016-0182 – the "LRAMVA Report"), issued on May 19, 2016, outlines the OEB's policy with respect to the treatment of peak demand savings for the LRAM Variance Account calculation for demand billed customers.

WNP filed its CDM Strategy with the OEB in accordance with the CDM Code for Electricity Distributors in the fall of 2010 and the utility began delivering CDM programs in 2011 to meet the mandated targets. From 2011 to 2014, WNP delivered the IESO's approved province-wide CDM programs, achieving energy savings of 3,310,671 kWh (as verified by the IESO annual reports) or 73.3% of its mandated target of 4,520,000 kWh.

Under the 2015-2020 Conservation First Framework (CFF), in 2016 WNP retained the services of Greensaver for delivery of the IESO contracted province-wide programs to the LDC's customers. This partnership has been successful with Greensaver promoting energy conservation to all our customers and providing knowledgeable assistance to complete energy-saving programs. WNP has not sought approval for Board-approved CDM programs. Under the 2015-2020 CFF, WNP's target was 5,890,000 kWh of energy savings over the 6-year period - equivalent to a 5% annual reduction of electricity consumption from all WNP's customers in Arthur, Holstein and Mount Forest. The table below summarizes the energy savings realized by WNP under the 2015-2020 CFF program:

Table 33 – 2015-2020 CFF - kWh Savings Achieved by WNP

Year	Annual Target (kWh)	Savings Achieved to Date (kWh)	Cumulative Savings Achieved (kWh	Cumulative Savings as a % of 2015-2020 Target
2015	981,667	792,131	792,131	13%
2016	981,667	580,997	1,373,128	23%
2017	981,667	833,281	2,206,409	37%
2018	981,667	632,802	2,839,211	48%
2019	981,667	36,510	2,875,721	51%
2020	981,667			
Total	**5,890,000**	**2,875,721**		

** 2015 to 2017 results as per IESO Annual Reports*
2018 and 2019 from IESO Participation & Cost reports

In March 2019, the Minister of Energy, Northern Development and Mines directed the Independent Electricity System Operator (IESO) to discontinue the current 2015-2020 Conservation First Framework and implement a new interim framework, in support of the government's goal to reduce electricity costs for customers. The change meant the IESO will centrally deliver energy-efficiency programs on a province-wide basis with a focus on business and industrial programs beginning April 1, 2019. WNP is not planning for or aware of any new CDM programs that will be initiated in the Bridge Year (2020) or Test Year (2021).

4.12.2 LRAM VARIANCE ACCOUNT (LRAMVA)

Distributors are required to track the variances between the OEB approved CDM adjustment to their load forecasts and the actual CDM results in the LRAMVA for the 2015 - 2020 period.

WNP's LRAMVA claim is for the energy savings achieved through the delivery of province-wide CDM programs over the period January 2015 to March 2019. WNP's CDM activities consist of programs initiated by the Independent Electricity System Operator ("IESO") and delivered by Greensaver.

WNP is seeking LRAMVA recovery of $74,088.85, including carrying charges to the end of April 2021. The Applicant has not claimed for LRAMVA recovery of revenue since the LDC's 2016 Cost of Service (EB-2015-0110). In its' 2016 Cost of Service application, WNP was granted approval for recovery of LRAMVA balance of $11,761.29 relating to the province-wide approved CDM energy saving programs delivered up to and inclusive of December 31, 2014.

Through this application, WNP is seeking approval to recover the LRAMVA balances for: [51]

a) New lost revenues achieved from CDM kWh energy saving programs delivered under Conservation First Framework (CFF) from January 2015 to March 31, 2019;

b) The resulting persistence of kWh energy savings for years 2016, 2017, 2018, 2019 and 2020 from the delivery of CDM programs under CCF between January 2015 to March 31, 2019; and

c) Lost revenue in 2015 from CDM programs delivered in 2014 (i.e. prior year savings persistence).

WNP has completed the OEB's LRAMVA Work Form (excel) and has filed this evidence with this application.[52]

---

[51] MFR - statement identifying the year(s) of new lost revenues and prior year savings persistence claimed in the LRAMVA disposition

[52] MFR - LRAMVA - disposition of balance. Distributors must provide version 5 of LRAMVA Work Form (Excel) when making LRAMVA requests for remaining amounts related to CFF activity. An application for lost revenues should include: Participation and Cost reports in Excel format, made available by the IESO

WNP confirms that the data used in the LRAMVA model, as filed with this application, is derived from the following sources[53]:

- The distributor's final CDM Report and Persistence Savings Report as published by the IESO. This includes 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 (P&C) Report containing data for 2018 and updated April 2019. (The P&C report is instead of the annual distributor's report that was, in previous years, provided by the IESO but is not available from the IESO for 2018 nor 2019.)

WNP has relied on the most recent input assumptions available at the time of program evaluation as detailed in the publications listed above[54].

Copies of the IESO's annual distributor report for WNP for years 2015, 2016 and 2017 as well as Participation & Cost Report (April 2019) have been filed as excel files with this Application.[55]

Net incremental peak demand savings are not provided in the 2019 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 and 2019 net incremental energy savings to approximate 2018 and 2019 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.[56]

WNP is requesting its' LRAMVA on recovery of revenue on a final basis. Given that the IESO is now responsible for centrally delivering CDM programs across the province, the utility is not

---

[53] MFR - statement confirming LRAMVA based on verified savings results supported by the distributors final CDM Report and Persistence Savings Report

[54] MFR - statement indicating that the distributor has relied on the most recent input assumptions available at the time of program evaluation

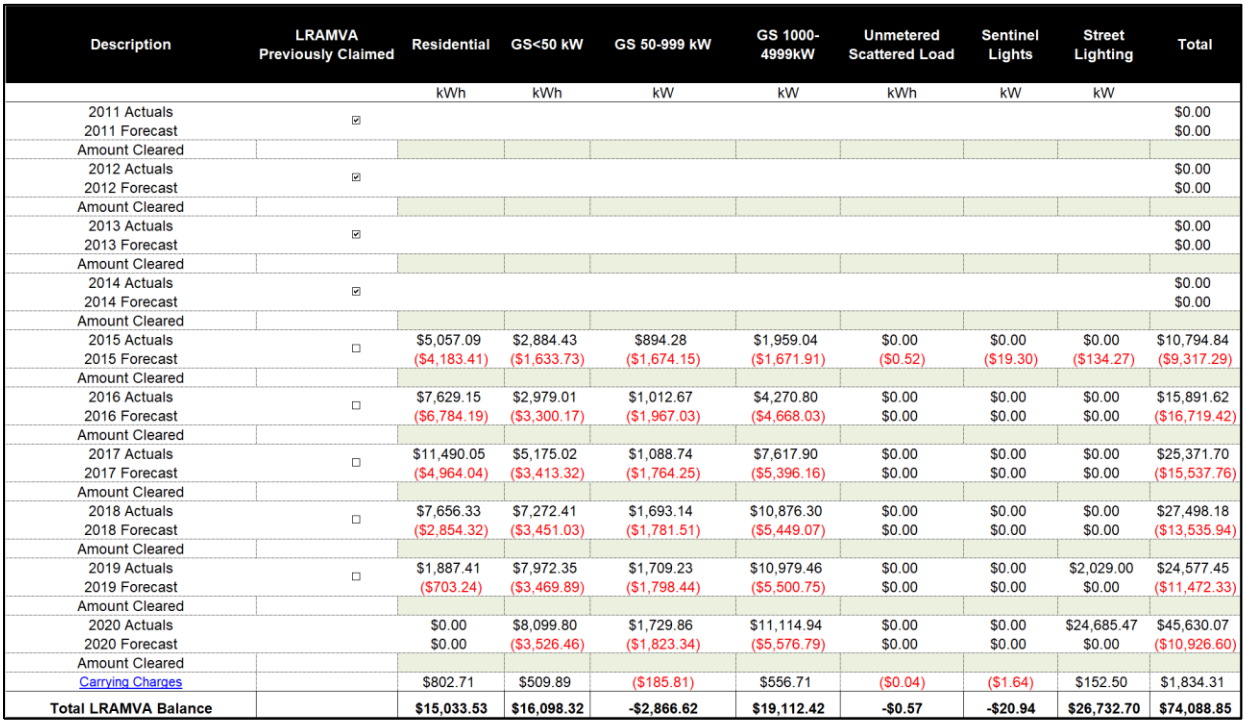
[55] MFR - Participation and Cost Reports and detailed project level savings files made available by the IESO to support the clearance of energy- and/or demand-related LRAMVA balances where final verified results from the IESO are not available. These reports should be filed in excel format, similar to the previous Final Verified Annual Reports from 2015 to 2017.

[56] Related to CCF programs: an explanation must be provided as to how savings have been estimated based on the available data (i.e. IESO's Participation & Cost Reports) and/or rationale to justify the eligibility of the program saving

anticipating further reports from the IESO about new or amended historical kWh savings achieved within the utility's service territory.[57]

The table below shows the total LRAM principal amount and carrying charges that WNP is requesting for recovery of through this application:[58]

Table 34 - Summary of Requested LRAM Amounts



Description	LRAMVA Previously Claimed	Residential	GS<50 kW	GS 50-999 kW	GS 1000-4999kW	Unmetered Scattered Load	Sentinel Lights	Street Lighting	Total
		kWh	kWh	kW	kW	kWh	kW	kW	
2011 Actuals	☑								$0.00
2011 Forecast									$0.00
Amount Cleared									
2012 Actuals	☑								$0.00
2012 Forecast									$0.00
Amount Cleared									
2013 Actuals	☑								$0.00
2013 Forecast									$0.00
Amount Cleared									
2014 Actuals	☑								$0.00
2014 Forecast									$0.00
Amount Cleared									
2015 Actuals	☐	$5,057.09	$2,884.43	$894.28	$1,959.04	$0.00	$0.00	$0.00	$10,794.84
2015 Forecast		($4,183.41)	($1,633.73)	($1,674.15)	($1,671.91)	($0.52)	($19.30)	($134.27)	($9,317.29)
Amount Cleared									
2016 Actuals	☐	$7,629.15	$2,979.01	$1,012.67	$4,270.80	$0.00	$0.00	$0.00	$15,891.62
2016 Forecast		($6,784.19)	($3,300.17)	($1,967.03)	($4,668.03)	$0.00	$0.00	$0.00	($16,719.42)
Amount Cleared									
2017 Actuals	☐	$11,490.05	$5,175.02	$1,088.74	$7,617.90	$0.00	$0.00	$0.00	$25,371.70
2017 Forecast		($4,964.04)	($3,413.32)	($1,764.25)	($5,396.16)	$0.00	$0.00	$0.00	($15,537.76)
Amount Cleared									
2018 Actuals	☐	$7,656.33	$7,272.41	$1,693.14	$10,876.30	$0.00	$0.00	$0.00	$27,498.18
2018 Forecast		($2,854.32)	($3,451.03)	($1,781.51)	($5,449.07)	$0.00	$0.00	$0.00	($13,535.94)
Amount Cleared									
2019 Actuals	☐	$1,887.41	$7,972.35	$1,709.23	$10,979.46	$0.00	$0.00	$2,029.00	$24,577.45
2019 Forecast		($703.24)	($3,469.89)	($1,798.44)	($5,500.75)	$0.00	$0.00	$0.00	($11,472.33)
Amount Cleared									
2020 Actuals		$0.00	$8,099.80	$1,729.86	$11,114.94	$0.00	$0.00	$24,685.47	$45,630.07
2020 Forecast		$0.00	($3,526.46)	($1,823.34)	($5,576.79)	$0.00	$0.00	$0.00	($10,926.60)
Amount Cleared									
Carrying Charges		$802.71	$509.89	($185.81)	$556.71	($0.04)	($1.64)	$152.50	$1,834.31
Total LRAMVA Balance		**$15,033.53**	**$16,098.32**	**-$2,866.62**	**$19,112.42**	**-$0.57**	**-$20.94**	**$26,732.70**	**$74,088.85**

Carrying charges totaling $1,834.31 have been calculated to the end of April 2021 using the OEB's Approved Deferral and Variance Accounts prescribed interest rates. The rates in Q4 2020, Q1 2021, and Q2 2021 were not available at the time of preparing this application, so WNP has assumed the 2020 Q3 rate of 0.57% for those periods.

WNP is proposing to dispose of these amounts over a 24-month period through LRAMVA Rate Riders, effective from May 1, 2021 to April 30, 2023[59]. The Applicant has elected a 24-month (2-

---

[57] MFR - LRAMVA claim may be based on the information in that Report at the time of filing of the application, but it is expected that the claim will be updated when the final CDM results Report is issued, and that the approved disposition will reflect the final results Report

[58] MFR - summary table with principal and carrying charges by rate class

[59] MFR - statement providing the disposition period

year) disposition period to help minimize the total bill impact. The following table summarizes principal and carrying charges by rate class as well as Rate Riders applicable for 24-months:[60]

Table 35 - Summary of Proposed LRAMVA Rate Riders

Rate Class	Billing Unit	Principal	Carrying Charges	Total LRAMVA	Load Forecast	Proposed Rate Rider
Residential	kWh	$14,230.83	$802.71	$15,033.53	26,503,100	$0.0003
General Service<50kW	kWh	$15,588.42	$509.89	$16,098.32	11,455,522	$0.0007
General Service 50-999kW	kW	($2,6,80.81)	($185.81)	($2,866.62)	52,425	($0.0273)
General Service 1000 -4999 kW	kW	$18,555.72	$556.71	$19,112.42	92,890	$0.1029
Unmetered Scattered Load	kWh	($0.52)	($0.04)	($0.57)	6,288	($0.0000)
Sentinel Lighting	kW	($19.30)	($1.64)	($20.94)	55	($0.1912)
Street Lighting	kW	$26,580.20	$152.50	$26,732.70	632	$21.1335
Total		**$72,254.53**	**$1,834.31**	**$74,088.85**		

For rate-class Unmetered Scattered Load (USL), there were no kWh energy-savings achieved. This is because USL customers did not participate as there were no CDM programs available or applicable. The principal amount shown in the above table is as a consequence of the CDM savings included in the 2012 Load Forecast (WNP's 2016 Cost of Service application – EB-2011-0249) of 36 kWh per year for the period of 2012 to 2015. As there no were kWh savings realized, this is a credit payment to customers; however the amount is immaterial and if agreed by parties residing of this application, WNP will remove this from the LRAMVA Rate Riders[61]. (In its most recent OEB-approved load forecast (EB-2015-0110), there was no CDM adjustment provision for Unmetered Scattered Load customers for the years 2016 to 2020.)

---

[60] MFR - summary table with principal and carrying charges by rate class and resulting rate riders

[61] MFR - rationale provided for disposing the balance in the LRAMVA if one or more classes do not generate significant rate riders

The table below shows the CDM adjustment derived from the Load Forecast as approved in the Applicant's previous Cost of Service applications[62]. The CDM adjustment quantities were constant for the period of the Cost of Service application (i.e. the CDM savings predicted did not fluctuate yearly).

Table 36 – CDM Adjustment from Load Forecast

Rate Class	Unit	2012 Load Forecast CDM Adjustment *(Applicable for 2012-2015)*	2016 Load Forecast CDM Adjustment *(Applicable for 2016-2020)*	2021 Load Forecast CDM Adjustment *(Applicable for 2021-2025)*
Residential	kWh	227,359	413,670	0
General Service<50kW	kWh	97,828	188,581	0
General Service 50-999kW	kW	462	664	0
General Service 1000 - 4999 kW	kW	887	1,752	0
Unmetered Scattered Load	kWh	36	0	0
Sentinel Lighting	kW	1	0	0
Street Lighting	kW	17	0	0

As detailed in Exhibit 3, WNP has not included any projections for CDM energy-savings in its' Load Forecast for Bridge Year (2020) or Test Year (2021), hence why there is zero (0) adjustment for the 2021 Load Forecast in the above table. By way of this application, WNP is seeking to dispose of all balances in its 1568 LRAMVA account, and unless instructed by the OEB through policy or accounting guidelines, the LDC will not be allocating future lost revenues due to CDM programs in 2020 or beyond to the 1568 LRAMVA variance account.

As noted in the above table, for the 2016 Load Forecast from the last Cost of Service application (EB-2015-0110), there was zero (0) kW CDM adjusted savings for the street light class. [63]

For determining how rate class allocations for actual CDM savings were determined by class and program, WNP applied the methodology summarized in the table below[64]:

---

[62] 2012 Load Forecast from EB-2011-0249 as per Settlement Agreement, page 22; 2016 Load Forecast from EB-20150-0110, Settlement Agreement, page 47

[63] MFR - Explanation of the forecast demand savings from street lights, including assumptions built into the load forecast from the last CoS application

[64] MFR - rationale confirming how rate class allocations for actual CDM savings were determined by class and program

Table 37 – Determination of CDM Savings by Rate Class

Rate Class	Method
Residential	Actual CDM results as verified and published by IESO Annual CDM Report and P&C report for "Residential" programs only
GS<50kW	Actual CDM results as verified and published by IESO Annual CDM Report and P&C report for "Business" programs only
GS 50-999kW And GS 1000 -4999 kW	Step 1. Review each CDM approved & completed CDM application to obtain the reported Total Estimated Energy Savings (kWh) at a customer-level Step 2. For each completed and approved program, identified the customer and assign Rate Class Step 3. Total all the "Total Estimated Energy Savings" (from Step 1) Step 4. Calculate the percentage of the Total Estimated Energy Savings split by Rate Classes GS 50-999kW and GS 1000-4999kW Step 5. Using the Actual CDM results as verified & published by IESO Annual CDM Report and P&C report, for "Business" and "Industrial" programs use the percentages (defined in Step 4) to apportion to Rate Classes GS 50-999kW and GS 1000-4999kW
Other	No CDM savings were achieved for Sentinel Lights, Unmetered Scattered Load or Streetlights rate classes from 2011 to 2018 inclusive
Other	CDM savings were achieved for Streetlights rate class in 2019 - "see worksheet 8. Streetlighting"

WNP used the above methodology in its’ 2016 Cost of Service application (EB-2015-0110) as evidence and received approval from all parties for disposal of its’ LRAMVA balance as at December 31, 2014. The Applicant has detailed this methodology, together with the actual data and calculations, in the 2021 OEB LRMVA workbook, worksheet “3-a Rate Class Allocations”, which has been filed with this Application.

Street Lighting LED Conversion Project - 2019

Included in WNP’s 2015-2020 Conservation First Framework budget, approved by the IESO, was a CDM program to replace all high-pressure sodium (HPS) lights used in the streetlights with light-emitting diodes (LEDs) in Arthur and Mount Forest owned by the Township of Wellington North. Greensaver, under contract to WNP to deliver saveONenergy™ programs, worked with the Township of Wellington North to develop the LED retrofit project. The project was approved in the first quarter of 2019. The customer, the Township of Wellington North, received their CDM incentive payment from the IESO for the program in Quarter 2 of 2020.[65]

In the absence of information from the IESO, WNP has obtained a measurement and verification (M & V) report from a third-party concerning the LED streetlight conversion. A copy of the M&V report has been included in Appendix I. WNP submits this M&V report as additional documentation provided in support of projects that were not included in distributor's final CDM Annual Report.[66]

The street light conversion project for the municipality of the Township of Wellington North WNP was performed and completed in 2019. Despite several requests for information from the IESO, none has been made available to the utility. Therefore, in terms of quantifying and calculating energy savings for this project, the Applicant has used the details contained in the M&V report[67] [68]provided by a third-party (as included in Appendix I) as well as using the street lighting OEB-approved load profiles. [69]. WNP has detailed all assumptions and methodology used in determining CDM-savings in in worksheet "8. Streetlighting" of the 2021 OEB LRAMVA workbook.

Due to no information from the IESO concerning the results of the LED-streetlight conversion, WNP has relied on the M&V report obtained from a third-party who calculated the savings on behalf of Greensaver under contract from WNP. For Net to Gross savings, WNP has assumed this as "1" because pre-LED conversion billed streetlights at 155.60 kW but in worksheet "8. Streetlighting" of the 2021 OEB LRAMVA workbook, WNP has used the 3rd party's report theoretical monthly demand of 131 kW, therefore assume net-to-gross adjustment has been applied by the 3rd party expert[70].

---

[65] MFR - Confirmation whether the street lighting project(s) received funding from the IESO

[66] MFR - statement confirming whether additional documentation was provided in support of projects that were not included in distributors final CDM Annual Report

[67] MFR - Explanation of the methodology to calculate street lighting savings

[68] MFR - For the recovery of lost revenues related to demand savings from other programs that are not included in the monthly Participation and Cost Reports of the IESO, distributors should provide the following information: The third party evaluation report that describes the methodology to calculate the demand savings achieved for the program year.

[69] MFR - street lighting savings were calculated in accordance with OEB-approved load profiles for street lighting projects

[70] MFR - confirmation the appropriate net-to-gross assumption used to calculate street lighting savings

WNP confirms that the street light upgrades represent incremental savings attributable to participation in the IESO program and that the savings achieved were not attributable to any other programs (e.g. upgrades under normal asset management plans).[71]

WNP confirms there were no associated energy savings from the Retrofit programs for street lights and therefore, there is no double-counting of savings. To emphasize, the street light LED-conversion program, an approved IESO CDM program, is the only energy saving program that has been performed by the municipality for its' street lights.[72]

The Applicant cannot confirm that it has received reports from the participating municipality that validate the number and type of bulbs replaced or retrofitted through the IESO program.[73] WNP maintains the street lights as a service to the municipality and therefore were responsible for counting the number of bulbs that required replacing and the utility provided the details to the township about the LED-specification bulbs that were going to be used to replace the existing HPS bulbs.

WNP confirms that, for street lights, it is seeking recovery of lost revenue for the period up to December 31, 2020.[74] Because the LED-street light conversion happened in 2019, and the utility's current OEB-approved load forecast from 2016, as summarized in table 36, did not include any CDM-savings projected for the period 2016 to 2020, in WNP's opinion there has been lost revenue as a result of a CDM-approved program that is recoverable.

The street light LED-conversion project was completed in 2019. The Applicant has provided an excel file containing:

a) The monthly billed demand for 2019 when streetlights when bulbs were HPS and;

---

[71] Confirmation that the street light upgrades represent incremental savings attributable to participation in the IESO program, and that any savings not attributable to the IESO program have been removed (for example, other upgrades under normal asset management plans

[72] MFR - Confirmation that the associated energy savings from the applicable IESO program have been removed from the LRAMVA workform so as not to double count savings (for example, if requesting lost revenue recovery for the demand savings from a street light upgrade program, the associated energy savings from the Retrofit program have been subtracted from the Retrofit total)

[73] Confirmation that the distributor has received reports from the participating municipality that validate the number and type of bulbs replaced or retrofitted through the IESO program

[74] MFR - If a distributor seeks to claim any additional program savings to December 31, 2019

b) The monthly billed demand for streetlight with bulbs replaced with LED for 2020.

This data, in excel format, is included in the Applicant's Load Forecast workbook in worksheet "5d. Streetlights Conv," filed as Appendix 3B WNP Wholesale Load Forecast. [75] For data on bulbs, types of bulbs replaced and average demand per bulb[76], please refer to the M&V report has been included in Appendix I and the methodology used in determining CDM-savings in in worksheet "8. Streetlighting" of the 2021 OEB LRAMVA workbook as filed.

---

[75] MFR - A table, in live excel format, that shows the monthly breakdown of billed demand over the period of the street light upgrade project, and the detailed calculations of the change in billed demand due to the street light upgrade project

[76] MFR - including data on number of bulbs, type of bulb replaced or retrofitted, average demand per bulb

APPENDICES

List of Appendices

Appendix A	Actuarial Reports (2017-2018) (2019-2020) (2021-2022)
Appendix B	WNP Employee Working Agreement
Appendix C	CHEC Wage & Benefit Analysis - 2020
Appendix D	Purchasing & Procurement Policy
Appendix E	Depreciation & Capitalization Policy
Appendix F	Income Tax and PILS Workform
Appendix G	Federal Tax Return
Appendix H	Provincial Tax Return
Appendix I	M&V Report

APPENDIX 4A ACTUARIAL VALUATION REPORT

Collins Barrow

2/4/2015

Wellington North Power Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Actuals CY 2014	Projected** CY 2015	Projected** CY 2016
Discount Rate at January 1	4.70%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31			
Initial Rate	7.00%	6.66%	6.31%
Ultimate Rate	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2021	2021	2021
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected*	expected*

A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet

	CY 2014	CY 2015	CY 2016
Net Defined Benefit Liability/(Asset) as at January 1	162,311	174,083	176,304
Defined Benefit Cost Recognized in Income Statement	9,935	10,534	10,735
Defined Benefit Cost Recognized in Other Comprehensive Income	15,734	-	-
Benefits Paid by the Employer	(13,897)	(8,312)	(10,167)
Net Defined Benefit Liability/(Asset) as at December 31	174,083	176,304	176,872

B. Determination of Defined Benefit Cost

B1. Determination of Defined Benefit Cost Recognized in Income Statement

	CY 2014	CY 2015	CY 2016
Service Cost			
- Current Service Cost	2,633	3,737	3,886
- Past Service Cost	-	-	-
Net Interest Cost	7,302	6,797	6,849
Defined Benefit Cost Recognized in Income Statement	9,935	10,534	10,735

B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income

	CY 2014	CY 2015	CY 2016
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	15,734	-	-
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	-	-	-
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	15,734	-	-
Total Defined Benefit Cost	25,670	10,534	10,735

C. Change in the Present Value of Defined Benefit Obligation

	CY 2014	CY 2015	CY 2016
Present Value of Defined Benefit Obligation as at January 1	162,311	174,083	176,304
Current Service Cost	2,633	3,737	3,886
Past Service Cost	-	-	-
Interest Cost	7,302	6,797	6,849
Benefits Paid	(13,897)	(8,312)	(10,167)
Net Actuarial Loss/(Gain)	15,734	-	-
Present Value of Defined Benefit Obligation as at December 31	174,083	176,304	176,872

* based on estimated employer benefit payments for those expected to be eligible for benefits.

Collins Barrow

2/4/2015

Wellington North Power Inc.
ESTIMATED BENEFIT EXPENSE (IAS 19)
FINAL

	Actuals CY 2014	Projected** CY 2015	Projected** CY 2016
Discount Rate at January 1	4.70%	4.00%	4.00%
Discount Rate at December 31	4.00%	4.00%	4.00%
Health Benefit Cost Trend Rate at December 31			
Initial Rate	7.00%	6.66%	6.31%
Ultimate Rate	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2021	2021	2021
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%
Salary Scale Rate	3.30%	3.30%	3.30%
Assumed Increase in Employer Contributions	actuals	expected*	expected*

D. Calculation of Component Items

Service Cost

- Current Service Cost	2,633	3,737	3,886
- Past Service Cost	-	-	-

Interest Cost

- Net Defined Benefit Liability/(Asset) as at January 1	162,311	174,083	176,304
- Benefits Paid	(6,949)	(4,156)	(5,084)
- Accrued Benefits	155,362	169,927	171,220
- Interest Cost	7,302	6,797	6,849

Expected Present Value of Defined Benefit Obligation as at December 31

- Present Value of Defined Benefit Obligation as at January 1	162,311	174,083	176,304
- Current Service Cost	2,633	3,737	3,886
- Interest Cost	7,302	6,797	6,849
- Benefits Paid	(13,897)	(8,312)	(10,167)
- Expected Present Value of Defined Benefit Obligation as at December 31	158,349	176,304	176,872

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31			
- Expected Present Value of Defined Benefit Obligation	158,349	176,304	176,872
- Past Service Cost	-	-	-
- Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	158,349	176,304	176,872
- Actual Present Value of Defined Benefit Obligation	174,083	176,304	176,872
- Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	15,734	-	-

* based on estimated employer benefit payments for those expected to be eligible for benefits.

AFE
Actuarial
Consulting

Actuarial Report
For 2017 Disclosure Purposes
Regarding Post Employment
Non-Pension Benefits

For

WELLINGTON NORTH POWER INC.

Prepared by
Alan F. Exley
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

November 29, 2017

AFE Actuarial Consulting has been retained to prepare a valuation of the post-employment benefits plans and accounting disclosure requirements for the fiscal period ending December 31, 2017 for Wellington North Power. The obligations established at January 1, 2017 are based on a full valuation of the plan as at that date, using data provided for that purpose.

Data

Monthly premium rates used are as shown in the following table. These rates include provincial sales tax:

	Single	**Family**
Health	$243.25	$304.05
Dental	$87.43	$172.34

Note that the health care costs have reduced significantly from the last valuation resulting in a similar drop in health care liabilities.

Individual employee and retiree data was provided for all covered individuals for the January 1, 2017 valuation. The following tables summarize the data provided:

Age	**Full-Time Employees**			**Average**	**Average**
Group	**Male**	**Female**	**Total**	**Earnings**	**Service**
25 to 30	0	2	2		2.29
30 to 35	1	0	1		1.31
35 to 40	2	1	3		7.21
40 to 45	1	0	1		5.84
45 to 50	0	1	1		4.29
50 to 55	2	1	3		7.57
55 to 60	1	0	1		31.42
60 to 65	1	0	1		38.38
Totals	8	5	13	81,762	10.01

Age	**Retired Employees**		
Group	**Male**	**Female**	**Total**
60 to 65	1	0	1
65 to 70	0	1	1
70 to 75	1	0	1
75 and over	1	0	1
Totals	3	1	4

Benefit Programs

Life insurance, extended health, and dental benefits are provided to retired employees. Health and dental coverage ceases when the retiree reaches age 65; life insurance coverage continues for life.

The amount of life insurance provided is as follows:

With less than 10 years of service	$2,000
With 10 or more years of service	50% of salary at retirement reducing 2.5% for 10 years and then remaining at 25%

Insurance coverage is affected by prior plan coverage but there are no longer any employees with prior plan coverage.

Health and dental coverage is available to retiring employees who have at least 20 years of service. Wellington North Power pays 50% of the cost of this coverage with the retiree paying the other 50%. Benefits are provided from the date of retirement ceasing at age 65.

Attestation

I am pleased to provide the following certifications:

a) I am aware that your auditor intends to use my work for audit evidence;
b) I am a member in good standing with the Canadian Institute of Actuaries;
c) I have been engaged by the Company's management to perform the valuation;
d) My calculations have been performed in accordance with the standards of the Canadian Institute of Actuaries;
e) My calculations include all employee future benefit plans of the Company required to be included in the calculations for which I have been retained;
f) I have included the effect of all known commitments in my calculations;
g) No settlements or curtailments have occurred in the fiscal period covered by this report;
h) The calculations have been prepared using best estimate assumptions, as proposed by me and accepted by management;
i) I have used a materiality level of $25,000 in dealing with errors or changes in principle and the application thereof;

j) This report includes the following:

  i) A description of the participant groups covered.

  ii) A description of the plan benefits.

  iii) A description of the actuarial valuation method used to determine the accrued benefit obligation.

  iv) The significant actuarial assumptions used in the calculations are as follows:

- All liabilities were valued as at January 1, 2017.
- A discount rate of 3.91% was used to establish liabilities at January 1, 2017 and for extrapolation during 2017, 2018 and 2019 (using values determined in the January 1, 2017 valuation). This rate was based upon the CIA Curve and future cash flows. A rate of 4.70% had been used as at January 1, 2014 and 4.00% as at December 31, 2016.
- A salary growth rate of 2.25% has been used to determine future benefits related to earnings. This is lower than the 3.3% rate used for the prior valuation but consistent with management`s best estimate and the rates in effect for the period through 2019.
- No assets have or are expected to be accumulated for the plan.
- Mortality was based on the CPM 2014 Mortality Table with projection which is representative of retired pensioner mortality in Canada. For the prior valuation, mortality was based upon the 2014 Registered Pension Plans Public Sector Mortality Table. Mortality rates will not differ materially between these two tables.
- The following table shows rates of mortality and the projection scale at certain ages:

	Mortality Rate		**Projection Scale AA**	
Age	**Male**	**Female**	**Male**	**Female**
20	0.0008	0.0002	0.0002	0.0002
25	0.0010	0.0002	0.0002	0.0002
30	0.0011	0.0003	0.0003	0.0003
35	0.0011	0.0004	0.0004	0.0004
40	0.0013	0.0006	0.0006	0.0006
45	0.0018	0.0009	0.0009	0.0009
50	0.0025	0.0013	0.0013	0.0013
55	0.0036	0.0021	0.0021	0.0021
60	0.0053	0.0035	0.0035	0.0035
65	0.0076	0.0056	0.0056	0.0056
70	0.0117	0.0088	0.0088	0.0088

	Mortality Rate		**Projection Scale AA**	
Age	**Male**	**Female**	**Male**	**Female**
75	0.0200	0.0146	0.0146	0.0146
80	0.0374	0.0271	0.0271	0.0271
85	0.0722	0.0532	0.0532	0.0532
90	0.1354	0.1023	0.1023	0.1023
95	0.2427	0.1886	0.1886	0.1886

- Termination rates were based on the following table:

AGE RANGE	TERMINATION RATE
18 - 29	2.75%
30 - 34	2.25%
35 - 39	2.00%
40 - 54	1.5%

- Retirement at the later of current age and age 60 with at least 20 years of service was assumed
- Health care trend rates of 7% in the first year following the full valuation, reducing to 4.6% after 7 years was assumed.
- A Dental care trend rate of 4.6% was assumed.
- Each employee's attribution period starts from the later of age 35 and his/her date of hire and ends when the employee attains 20 years of service after the age of 35, or the period to age 65 if less.
- Active employees are assumed to elect family or single coverage based upon their current coverage. Actual coverage is used for retired employees.
- The value of projected benefits is prorated over the attribution period to determine the amount of expense to charge to various periods. The accrued benefit obligation represents the present value of benefits assigned to periods prior to the valuation date.
- A 10% premium expense loading was added to the insurance liabilities.

v) Gains and losses reflected immediately.
vi) The plan is unfunded.
vii) The valuation allowance is zero.
viii) No settlements or curtailments have occurred in the fiscal period covered by this report.

  ix) The plan is a defined benefit plan.
  x) No significant non-routine events occurred in the fiscal period covered by this report.
  xi) No deviations from the benefit plan were made.
  xii) Obligations were calculated as at January 1, 2017 and extrapolated to December 31, 2017, December 31, 2018 and December 31, 2019.

k) I have confirmed with management that the plan provisions are up to date for use in this report.
l) No matters have come to my attention that have occurred prior to the date of the completion of this report which would have a material effect on my calculations.

Calculations

On the basis of the assumptions and methods noted above, I have determined the present value of benefit obligations related to service through to January 1, 2017. The attached tables show the calculated obligation amounts at the fiscal end dates as requested.

The attached table provides disclosure information required for reporting under IAS Standards for non-pension benefits only.

Please feel free to contact me should you require additional information or clarification of any of the information provided here.

Sincerely,

Alan Exley

Alan F. Exley
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries

Att.

	Actual CY 2017	**Projected CY 2018**	**Projected CY 2019**
Discount Rate at January 1	4.00%	3.90%	3.90%
Discount Rate at December 31	3.90%	3.90%	3.90%
Health Benefit Cost Trend Rate at December 31			
Initial Rate	7.00%	6.70%	6.40%
Ultimate Rate	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2025	2025	2025
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%
Salary Scale Rate	2.25%	2.25%	2.25%
Assumed Increase in Employer Contributions	actuals	expected	expected
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet			
Net Defined Benefit Liability/(Asset) as at January 1	176,873	171,755	175,425
Defined Benefit Cost Recognized in Income Statement	11,164	13,950	14,372
Defined Benefit Cost Recognized in Other Comprehensive Income	-9,410	0	0
Benefits Paid by the Employer	-6,873	-10,280	-10,849
Net Defined Benefit Liability/(Asset) as at December 31	171,755	175,425	178,948
B. Determination of Defined Benefit Cost			
B1. Determination of Defined Benefit Cost Recognized in Income Statement			
Service Cost			
Current Service Cost	4,041	7,452	7,742
Past Service Cost	0	0	0
Net Interest Cost	7,123	6,498	6,630
Defined Benefit Cost Recognized in Income Statement	11,164	13,950	14,372
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income			
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	-9,410	0	0
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	0	0	0
Return on Plan Assets (excluding amounts included in net interest cost)	0	0	0
Change in effect of asset ceiling	0	0	0
Defined Benefit Cost Recognized in Other Comprehensive Income	-9,410	0	0
Total Defined Benefit Cost	1,755	13,950	14,372
C. Change in the Present Value of Defined Benefit Obligation			
Present Value of Defined Benefit Obligation as at January 1	176,873	171,755	175,425
Current Service Cost	4,041	7,452	7,742
Past Service Cost	0	0	0
Interest Cost	7,123	6,498	6,630

Benefits Paid	-6,873	-10,280	-10,849
Net Actuarial Loss/(Gain)	-9,410	0	0
Present Value of Defined Benefit Obligation as at December 31	171,755	175,425	178,948

D. Calculation of Component Items

Service Cost			
Current Service Cost	4,041	7,452	7,742
Past Service Cost	0	0	0
Interest Cost			
Net Defined Benefit Liability/(Asset) as at January 1	176,873	171,755	175,425
Benefits Paid	-3,436	-5,140	-5,424
Accrued Benefits	173,437	166,615	170,000
Interest Cost	7,123	6,498	6,630
Expected Present Value of Defined Benefit Obligation as at December 31			
Present Value of Defined Benefit Obligation as at January 1	176,873	171,755	175,425
Current Service Cost	4,041	7,452	7,742
Interest Cost	7,123	6,498	6,630
Benefits Paid	-6,873	-10,280	-10,849
Expected Present Value of Defined Benefit Obligation as at December 31	181,165	175,425	178,948

E. Net Actuarial Loss/(Gain)

Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31			
Expected Present Value of Defined Benefit Obligation	181,165	175,425	178,948
Past Service Cost	0	0	0
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	181,165	175,425	178,948
Actual Present Value of Defined Benefit Obligation	171,755	175,425	178,948
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	-9,410	0	0

AFE
Actuarial
Consulting

Actuarial Report
For 2020 Disclosure Purposes
Regarding Post Employment
Non-Pension Benefits

For

WELLINGTON NORTH POWER INC.

Prepared by
Alan F. Exley
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

February 28, 2020

AFE Actuarial Consulting has been retained to prepare a valuation of the post-employment benefits plans and accounting disclosure requirements for the fiscal period ending December 31, 2020 for Wellington North Power. The obligations established at January 1, 2020 are based on a full valuation of the plan as at that date, using data provided for that purpose.

Data

Monthly premium rates used are as shown in the following table. These rates include provincial sales tax:

	Single	**Family**
Health	$297.71	$372.15
Dental	$100.03	$197.15

Individual employee and retiree data was provided for all covered individuals for the January 1, 2020 valuation. The following tables summarize the data provided:

		Age	**Full-Time Employees**			**Average**	**Average**
		Group	**Male**	**Female**	**Total**	**Earnings**	**Service**
25	30	25 to 30	0	1	1		4.79
30	35	30 to 35	0	0	0		0.00
35	40	35 to 40	1	1	2		9.38
40	45	40 to 45	1	0	1		9.24
45	50	45 to 50	1	0	1		8.84
50	55	50 to 55	2	1	3		4.70
55	60	55 to 60	1	1	2		13.19
60	65	60 to 65	2	0	2		37.90
		Totals	8	4	12	90,950	13.16

		Age	**Retired Employees**		
		Group	**Male**	**Female**	**Total**
60	65	60 to 65	1	0	1
65	70	65 to 70	0	1	1
70	75	70 to 75	1	0	1
75	100	75 and over	0	0	0
		Totals	2	1	3

Benefit Programs

Life insurance, extended health, and dental benefits are provided to retired employees. Health and dental coverage ceases when the retiree reaches age 65; life insurance coverage continues for life.

The amount of life insurance provided is as follows:

With less than 10 years of service	$2,000
With 10 or more years of service	50% of salary at retirement reducing 2.5% for 10 years and then remaining at 25%

Insurance coverage is affected by prior plan coverage but there are no longer any employees with prior plan coverage.

Health and dental coverage is available to retiring employees who have at least 20 years of service. Wellington North Power pays 50% of the cost of this coverage with the retiree paying the other 50%. Benefits are provided from the date of retirement ceasing at age 65.

Attestation

I am pleased to provide the following certifications:

a) I am aware that your auditor intends to use my work for audit evidence;
b) I am a member in good standing with the Canadian Institute of Actuaries;
c) I have been engaged by the Company’s management to perform the valuation;
d) My calculations have been performed in accordance with the standards of the Canadian Institute of Actuaries;
e) My calculations include all employee future benefit plans of the Company required to be included in the calculations for which I have been retained;
f) I have included the effect of all known commitments in my calculations;
g) No settlements or curtailments have occurred in the fiscal period covered by this report;
h) The calculations have been prepared using best estimate assumptions, as proposed by me and accepted by management;
i) I have used a materiality level of $25,000 in dealing with errors or changes in principle and the application thereof;
j) This report includes the following:
    i) A description of the participant groups covered.
    ii) A description of the plan benefits.

iii) A description of the actuarial valuation method used to determine the accrued benefit obligation.

iv) The significant actuarial assumptions used in the calculations are as follows:

- All liabilities were valued as at January 1, 2020.
- A discount rate of 3.20% per year was used to establish liabilities at January 1, 2020 and for extrapolation during 2020, 2021 and 2022 (using values determined in the January 1, 2020 valuation). This rate was based upon the CIA Curve and future cash flows. A rate of 3.90% per year had been used as at January 1, 2017 for disclosures up to and including 2019. This change in discount rate will result in an increase in liabilities and a resulting loss for the 2020 fiscal year which has been reflected in our exhibits.
- A salary growth rate of 2.25% per year has been used to determine future benefits related to earnings. This is lower than the 3.3% rate used for the prior valuation but consistent with management`s best estimate and the rates in effect for the period through 2022.
- No assets have or are expected to be accumulated for the plan.
- Mortality was based on the CPM 2014 Mortality Table with projection which is representative of retired pensioner mortality in Canada. For the prior valuation, mortality was based upon the 2014 Registered Pension Plans Public Sector Mortality Table. Mortality rates will not differ materially between these two tables.
- The following table shows rates of mortality and the projection scale at certain ages:

	Mortality Rate		**Projection Scale AA**	
Age	**Male**	**Female**	**Male**	**Female**
20	0.0008	0.0002	0.0002	0.0002
25	0.0010	0.0002	0.0002	0.0002
30	0.0011	0.0003	0.0003	0.0003
35	0.0011	0.0004	0.0004	0.0004
40	0.0013	0.0006	0.0006	0.0006
45	0.0018	0.0009	0.0009	0.0009
50	0.0025	0.0013	0.0013	0.0013
55	0.0036	0.0021	0.0021	0.0021
60	0.0053	0.0035	0.0035	0.0035
65	0.0076	0.0056	0.0056	0.0056
70	0.0117	0.0088	0.0088	0.0088
75	0.0200	0.0146	0.0146	0.0146
80	0.0374	0.0271	0.0271	0.0271
85	0.0722	0.0532	0.0532	0.0532

	Mortality Rate		Projection Scale AA	
Age	**Male**	**Female**	**Male**	**Female**
90	0.1354	0.1023	0.1023	0.1023
95	0.2427	0.1886	0.1886	0.1886

- Termination rates were based on the following table:

AGE RANGE	TERMINATION RATE
18 - 29	2.75%
30 - 34	2.25%
35 - 39	2.00%
40 - 54	1.5%

- Retirement at the later of current age and age 60 with at least 20 years of service was assumed.
- Health care trend rates of 7% in the first year following the full valuation, reducing to 4.6% after 7 years was assumed.
- A Dental care trend rate of 4.6% was assumed.
- Each employee’s attribution period starts from the later of age 35 and his/her date of hire and ends when the employee attains 20 years of service after the age of 35, or the period to age 65 if less.
- Active employees are assumed to elect family or single coverage based upon their current coverage. Actual coverage is used for retired employees.
- The value of projected benefits is prorated over the attribution period to determine the amount of expense to charge to various periods. The accrued benefit obligation represents the present value of benefits assigned to periods prior to the valuation date.
- A 10% premium expense loading was added to the insurance liabilities.

v) Gains and losses are reflected immediately.

vi) The plan is unfunded.

vii) The valuation allowance is zero.

viii) No settlements or curtailments have occurred in the fiscal period covered by this report.

ix) The plan is a defined benefit plan.

x) No significant non-routine events occurred in the fiscal period covered by this report.

xi) No deviations from the benefit plan were made.

   xii) Obligations were calculated as at January 1, 2020 and extrapolated to December 31, 2020, December 31, 2021 and December 31, 2022.

k) I have confirmed with management that the plan provisions are up to date for use in this report.

l) No matters have come to my attention that have occurred prior to the date of the completion of this report which would have a material effect on my calculations.

Calculations

The obligation at December 31, 2019 was determined by extrapolating results from the January 1, 2017 valuation of the plan using a discount rate of 3.90%.

On the basis of the assumptions and methods noted above, I have determined the present value of benefit obligations related to service through to January 1, 2020. The attached tables show the calculated obligation amounts at the fiscal end dates as requested.

The attached table provides disclosure information required for reporting under IAS Standards for non-pension benefits only.

Please feel free to contact me should you require additional information or clarification of any of the information provided here.

Sincerely,

Alan Exley

Alan F. Exley
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries

Att.

	Projected CY 2019	**Projected CY 2020**	**Projected CY 2021**	**Projected CY 2022**
Discount Rate at January 1	3.90%	3.20%	3.20%	3.20%
Discount Rate at December 31	3.90%	3.20%	3.20%	3.20%

	Projected CY 2019	**Projected CY 2020**	**Projected CY 2021**	**Projected CY 2022**
Health Benefit Cost Trend Rate at December 31				
Initial Rate	6.40%	7.00%	6.70%	6.40%
Ultimate Rate	4.60%	4.60%	4.60%	4.60%
Year Ultimate Rate Reached	2025	2028	2028	2028
Dental Benefit Cost Trend Rate	4.60%	4.60%	4.60%	4.60%
Salary Scale Rate	2.25%	2.25%	2.25%	2.25%
Assumed Increase in Employer Contributions	expected	actuals	expected	expected
A. Change in the Net Defined Benefit Liability/(Asset) Recognized in Balance Sheet				
Net Defined Benefit Liability/(Asset) as at January 1	175,425	178,948	213,305	222,363
Defined Benefit Cost Recognized in Income Statement	14,372	15,233	16,690	17,336
Defined Benefit Cost Recognized in Other Comprehensive Income	0	29,797	0	0
Benefits Paid by the Employer	(10,849)	(10,672)	(7,633)	(5,351)
Net Defined Benefit Liability/(Asset) as at December 31	**178,948**	**213,305**	**222,363**	**234,348**
B. Determination of Defined Benefit Cost				
B1. Determination of Defined Benefit Cost Recognized in Income Statement				
Service Cost				
Current Service Cost	7,742	9,377	9,677	9,987
Past Service Cost	0	0	0	0
Net Interest Cost	6,630	5,856	7,013	7,350
Defined Benefit Cost Recognized in Income Statement	**14,372**	**15,233**	**16,690**	**17,336**
B2. Remeasurements of the Net Defined Benefit Liability/(Asset) Recognized in Other Comprehensive Income				
Net Actuarial Loss/(Gain) arising from Changes in Financial Assumptions	0	29,797	0	0
Net Actuarial Loss/(Gain) arising from Changes in Demographic Assumptions	0	0	0	0
Return on Plan Assets (excluding amounts included in net interest cost)	0	0	0	0
Change in effect of asset ceiling	0	0	0	0
Defined Benefit Cost Recognized in Other Comprehensive Income	0	29,797	0	0
Total Defined Benefit Cost	**14,372**	**45,029**	**16,690**	**17,336**
C. Change in the Present Value of Defined Benefit Obligation				
Present Value of Defined Benefit Obligation as at Jan 1	175,425	178,948	213,305	222,363
Current Service Cost	7,742	9,377	9,677	9,987
Past Service Cost	0	0	0	0
Interest Cost	6,630	5,856	7,013	7,350
Benefits Paid	(10,849)	(10,672)	(7,633)	(5,351)
Net Actuarial Loss/(Gain)	0	29,797	0	0
Present Value of Defined Benefit Obligation as at December 31	**178,948**	**213,305**	**222,363**	**234,348**

	Projected CY 2019	Projected CY 2020	Projected CY 2021	Projected CY 2022
D. Calculation of Component Items				
Service Cost				
Current Service Cost	7,742	9,377	9,677	9,987
Past Service Cost	0	0	0	0
Interest Cost				
Net Defined Benefit Liability/(Asset) as at January 1	175,425	178,948	213,305	222,363
Benefits Paid	(5,424)	(5,336)	(3,816)	(2,676)
Accrued Benefits	170,000	173,612	209,489	219,687
Interest Cost	6,630	5,856	7,013	7,350
Expected Present Value of Defined Benefit Obligation as at December 31				
Present Value of Defined Benefit Obligation as at Jan 1	175,425	178,948	213,305	222,363
Current Service Cost	7,742	9,377	9,677	9,987
Interest Cost	6,630	5,856	7,013	7,350
Benefits Paid	(10,849)	(10,672)	(7,633)	(5,351)
Expected PV of Defined Benefit Obligation at Dec 31	**178,948**	**183,508**	**222,363**	**234,348**
E. Net Actuarial Loss/(Gain)				
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation as at December 31				
Expected Present Value of Defined Benefit Obligation	178,948	183,508	222,363	234,348
Past Service Cost	0	0	0	0
Expected Present Value of Defined Benefit Obligation (after Past Service Cost)	178,948	183,508	222,363	234,348
Actual Present Value of Defined Benefit Obligation	178,948	213,305	222,363	234,348
Net Actuarial Loss/(Gain) on Present Value of Defined Benefit Obligation	0	29,797	0	0

APPENDIX 4B WNP EMPLOYEE WORKING AGREEMENT

Wellington North Power Inc.
290 Queen Street West, PO Box 359, Mount Forest, ON N0G 2L0
Phone: 519.323.1710 Fax: 519.323.2425

E-mail: wnp@wellingtonnorthpower.com
www.wellingtonnorthpower.com

Human Resources Policies and Procedures

And

Employee Working Agreement

Wellington North Power Inc.

Employee Entitlements
The employee entitlements contained in this document are in effect from January 1st 2020 to December 31st 2022.

Contents

Process for Amending this Document:

This document is a summary of Human Resources policies and procedures for Wellington North Power Inc. (the "Company"). Contained within the policies and procedures are the agreed employee entitlements which form the basis of the Employee Working Agreement.

The employee entitlements are negotiated agreements between the Company and the employees and can only be amended with the agreement of a majority of the employees and the Board of Directors.

Process:

1) Within six months (180) days of the expiration of the agreement, employees are invited to submit their proposed changes to the existing Employee Working Agreement.
2) Management will prepare a "proposed" employee working agreement which will be presented to and discussed with Supervisors.
3) Supervisors will be directed to discuss the "proposed" Employee Working Agreement collectively with employees.
4) Supervisors will meet with Management to provide feedback on the "proposed" Employee Working Agreement including additional requests or amendments that have collectively been agreed by staff.
5) Management will review any additional requests or amendments and discuss with Supervisors and, if appropriate all employees, to clarify requirements.
6) The Organization, Personnel and Market Relations Committee or an appropriate Wellington North Power Inc. Committee (consisting of Board Directors and Management) may meet with all "Regular Employees" to discuss the proposed changes to the Employee Working Agreement.
7) A copy of the tentatively agreed Employee Working Agreement will be provided to both "The Organization, Personnel and Market Relations Committee" (or an appropriate Wellington North Power Committee) and employees in advance of the Committee meeting.
8) Through discussions, a tentative agreement on amendments to employee entitlements will be prepared as a "Recommendation" to the Board of Directors
9) Management will present the "Recommendation" to the Board of Directors, typically at the monthly Board meeting. The employees may attend the portion of the Board meeting where the recommended changes are presented to the Board
10) Should the Board of Directors not support the "Recommendation", Management will be tasked to meet with employees to reach an amicable solution. Once reached, Management will present a "Revised Recommendation" to the Board of Directors.
11) Should the Board of Directors support the "Recommendation", a Resolution will be passed and recorded in the Company's Minute Book.

Process for Review and Amendments of Policies and Procedures:

The policies and procedures are established by the Company in consultation with both employees and management and can be amended by the authority of the Board of Directors.

The policies and procedures within this document may be reviewed and amended at any time. The review of a policy and procedure may be in response to an employee request, upon the advice of Management or as a result of a change in law.

When changes to policies and procedures are being proposed the following steps will be followed:

1. The proposed change will be reviewed by the Organization, Personnel and Market Relations Committee.
2. Employees will be informed of the proposed change, including effective date, and invited to submit their comments.
3. Employee feedback will be reviewed by the Organization, Personnel and Market Relations Committee and a recommendation prepared for the Board of Directors.
4. The recommended change will be reviewed and approved by the Board of Directors.
5. Employees will be informed of the change to policy or procedure.

A review of the policies and procedures by an external party will be conducted when preparing a subsequent Employee Working Agreement.

Section 1 - Employee Categories

Probationary Employee

1.01 Probationary employees are those who are hired on a trial basis to determine their suitability for employment in regular positions. An employee shall be considered probationary for a period of six (6) calendar months worked.

1.02 The probationary period may be extended at the discretion of the Management.

1.03 During this period of probation, he or she shall not be considered as having regular status and shall not be entitled to any of the benefits or privileges accruing to regular employees.

1.04 Probationary employees may be dismissed at the sole discretion of Management without recourse.

Temporary Employee

1.05 A temporary employee is one who is hired for a limited time (not to exceed twelve months) to assist in the operations of the corporation, for a special project or to replace another employee who is on approved leave (i.e. sick, maternity, parental) or is temporarily transferred to another position.

1.06 A temporary employee shall not be considered as having regular status and shall not be entitled to any of the benefits or privileges accruing to regular employees.

Regular Employee

1.07 A regular employee is one who has satisfactorily served a probationary period, works a minimum of forty (40) hours per week and is currently in the employment of the Company.

1.08 The term “employee” when used in this document shall mean “regular employee” unless specifically stated otherwise.

Regular Part-time Employee

1.09 A regular part-time employee is one who regularly works a minimum of thirty (30) hours per week and has a pre-determined work schedule.

1.10 A regular part-time employee shall be considered as having regular status and shall be entitled to the benefits or privileges accruing to regular part-time employees as set out in this agreement.

Casual Part-time Employee

1.11 A casual part-time employee is one who does not have any guaranteed minimum hours of work, may be called to work as and where required and has no regular scheduled hours.

1.12 A casual part-time employee shall not be considered as having regular status and shall not be entitled to any of the benefits or privileges accruing to regular employees.

Section 2 - Company Service Credit

2.01 Company Service Credits shall be defined as the length of continuous service a regular employee has established with the Company from the most recent date the employee entered the employment of the Company as a probationary employee.

(i) Temporary, probationary, and casual part-time employees shall not be considered to have accrued service credit except that a regular employee shall be granted service credit for the period served as a probationary, temporary or casual part-time employee, provided that there is no break in service.

(ii) When an employee is removed from the payroll, all employee benefits shall cease and a break in service shall be deemed to have occurred.

(iii) No Company Service Credit shall accrue to an employee during the period of a break in service, unless the regular employee is reinstated through special permission of the Company.

(iv) Service shall be retained and continue to accrue while an employee is on WSIB or on pregnancy/parental leave.

(v) Service shall be retained but not accrue while an employee is on short term disability or an approved leave of absence in excess of one month.

2.02 An employee shall lose Company Service Credit, and cease to be an employee of the Company if he or she:

(i) Quits voluntarily.
(ii) Is discharged.
(iii) Retires.
(iv) Is laid off for a period exceeding twelve (12) calendar months.
(v) Fails to report for work, after a lay-off within ten (10) working days of recall notice that has been mailed by the Company to the last address which the employee has notified Management.
(vi) Is absent from work for three (3) working days or more without notification.

Section 3 - Hours of Work and Overtime

3.01 The normal work week for full-time employees shall be forty (40) hours of work per week to be scheduled within the normal hours of operation.

3.02 The normal hours of operation for the office will be between 8:00 a.m. and 5:00 p.m. Monday to Friday.

3.03 The normal hours of operation for the non-office will be between 7:30 a.m. and 4:30 p.m. Monday to Friday.

3.04 All employees are required to take a minimum ½ hour unpaid lunch break.

3.05 It is acknowledged that from time to time it will be necessary for employees to perform work outside of the normal schedules at all hours of the day or night and Management has the right to authorize such work as required.

3.06 **For Employees in Job Grades 1 to 7**
Authorized work performed in excess of forty (40) hours in a one week period shall be paid in accordance with the following:

Employee Entitlement – For Employees in Job Grades 1 to 7

1. Monday to Friday, Saturday and Sunday inclusive – paid at time and one half for all hours worked in excess of forty (40) hours per week.
2. Overtime shall not apply for hours worked as flextime.
3. Time and one half of all hours worked when On-Call as per the conditions in Section 4.
4. Recognized holidays & vacations, paid at time and one half of all hours worked plus regular pay for the normal statutory holiday or another regular working day off with pay.
5. Hours worked in excess of 40 hours per week must be pre-authorized by Supervisors or Management.

For Employees in Job Grades 8 and Above

3.07 Authorized work performed in excess of forty-four (44) hours in a one week period shall be treated as per below:

Employee Entitlement – For Employees in Job Grades 8 and Above

1. At their discretion, Management will be able to take "Time in-lieu" or bank time to compensate for excessive hours worked beyond forty-four (44) hours. Time will be banked at straight-time.

3.08 Full-time and regular part-time employees can accumulate authorized overtime to be taken as compensating time. Such time off shall be taken, where possible, within 90 days of being accumulated, at a mutually agreeable time in hours, single or multiple days. When an employee has reached the maximum hours that can be banked, any overtime worked must be taken as pay.

Employee Entitlement – For Employees in Job Grades 1 to 7
1. A maximum of sixteen (16) hours of authorized overtime may be banked to use at a later date.

Employee Entitlement – For Employees in Job Grades 8 and Above
1. A maximum of forty (40) hours may be banked to use at a later date.

Flex-time

3.09 When authorized by a Supervisor or Management, employees may flex their start and finish times and, if required, their breaks and lunch period to accommodate personal appointments and needs in exceptional circumstances.

3.10 In exceptional circumstances, flex time will be worked at an agreed upon time between employee and Supervisor. This may include working hours that extend beyond the normal hours of operation.

3.11 Hours worked in excess of eight (8) hours per day or forty (40) hours per week under flextime will be paid at straight time, not overtime rates.

3.12 All flex time hours must be recorded on the timesheet.

Hours Free From Work

3.13 Except during exceptional circumstances employees will receive at least eleven (11) consecutive hours off work each day.

3.14 Except during exceptional circumstances, employees will receive at least eight (8) hours off work between shifts.

3.15 Exceptional circumstances would include emergencies or unforeseen situations that could interrupt power supply and delivery.

Section 4 - On Call

4.01 On-Call duty is defined as that duty performed by qualified employees who are required by the Company to be readily available within thirty (30) minutes of the normal work headquarters for service at other than normal working hours.

4.02 Qualified employees will be required to perform On-Call duty on a weekly basis in accordance with arrangement with Management. The employee on On-Call duty is required to be readily available to respond outside normal working hours to calls.

4.03 On-Call week will run from Wednesday at 8:00 a.m. to 8:00 a.m. the following Wednesday.

4.04 The On-Call premium will be one (1) hour pay per day, while On-Call.

Employee Entitlement – For Employees in Job Grades 1 to 7

1. Employees will be paid the following On-Call premium for the weeks they are On-Call:

    - Effective January 1st to December 31st 2020 - $299.09 for the On-Call 7 day period
    - Effective January 1st to December 31st 2021 - $305.08 for the On-Call 7 day period
    - Effective January 1st to December 31st 2022 - $310.42 for the On-Call 7 day period

2. When an employee is called out to perform work outside normal working hours not contiguous with assigned hours he/she shall be paid as follows subject to the following provisions:

    - A minimum of three (3) hours pay at time and one half when called out between normal quitting time and normal starting time (regular, not flex hours).
    - All calls received within one (1) hour of the previous call shall be considered the same call for purposes of this provision.

Employee Entitlement – For Employees in Job Grades 8 and Above

1. Call out pay and On-Call pay does not apply to Management employees.

Section 5 – Rest Periods

5.01 Each employee shall be entitled to a fifteen (15) minute rest period in the first half and second half of each scheduled workday. Rest periods will be taken at a mutually agreed upon time between employee and Supervisor so as to maintain business continuity.

Section 6 - Recognized Holidays

6.01 Regular and probationary full-time employees of the Company will be entitled to payment of normal basic wages for the holidays granted by the Company provided they have worked the full preceding scheduled shift and the full scheduled shift which immediately follows such holidays, unless they can show reasonable cause for failing to work. (As per the Employment Standards Act).

6.02 **Holidays**

Statutory Holidays include:

- New Year's Day
- Good Friday
- Victoria Day
- Labour Day
- Family Day (*3rd Monday in February*)
- Christmas Day
- Boxing Day
- Canada Day
- Thanksgiving Day

Employee Entitlement

1. In addition to the statutory holidays, regular and probationary full-time employees will receive the following paid holidays:

   - New Year's Eve (½ day)
   - Easter Monday
   - Remembrance Day
   - Christmas Eve (½ day)
   - Civic Holiday

6.03 Holiday pay for part-time and temporary employees will be calculated by adding all of the regular wages and vacation pay from the four work weeks ending just before the work week with the public holiday and dividing this sum by twenty (20). (As per Employment Standards Act).

6.04 When a public holiday falls on a day that is not ordinarily a working day for an employee, or during the employee's vacation, the employee is entitled to a substitute holiday off with public holiday pay. (As per Employment Standards Act).

6.05 If statutory holiday falls on a Saturday or Sunday, a substitute holiday will be designated by the Company.

Section 7 – Vacations

7.01 The vacation year runs from January 1 to December 31 (calendar year).

7.02 Vacation is taken in the same year that it is earned.

7.03 Employees who have not worked for the full year will receive vacation on a pro-rated basis.

7.04 In general vacation is not cumulative from one (1) year to the next. If an employee is unable to take his/her full yearly vacation because of either:

- Extenuating circumstances or;
- The requirement of work,

meaning the employee has worked during their vacation period, then he/she shall be paid at the end of the vacation year for any unused vacation days.

7.05 Vacations will, as far as it is practicable, be granted at the times most desired by the employee, providing this does not impede the efficient operation of the Company's business.

7.06 An employee must notify their Supervisor or Management of his or her preferred vacation. However, the Company shall retain the authority to designate vacation periods for all employees in a manner consistent with efficient operation of the Company.

7.07 Probationary, casual part-time and temporary employees shall be granted vacation pay and vacation entitlement as provided by the Employment Standards Act of Ontario.

7.08 Regular part-time employees will receive vacation pay and vacation entitlement as provided in the schedule below.

7.09 Length of service will be calculated using the Ontario Municipal Employee Retirement System (OMERS) calculation for service.

7.10 An employee shall not be granted more than two (2) weeks vacation at any one period of time except with permission of their Supervisor or Manager.

7.11 Employees leaving the company who have taken vacation that was not yet earned will reimburse the company for such vacation.

Employee Entitlement – For Employees in Job Grades 1 to 7

1. Employees will be eligible for vacation accrual according to the following schedule:

Length of Service Completed (Annualized and not pro-rated)	Regular Full-time Employees	Regular Part-time Employees
• 0 to 4 years of service	2 weeks' vacation	4%
• 5 to 9 years of service	3 weeks' vacation	6%
• 10 to 14 years of service	4 weeks' vacation	8%
• 15 to 19 years of service	5 weeks' vacation	10%
• Over 20 years of service	6 weeks' vacation	12%

2. Employees may carry over one weeks' vacation to the next year with the permission of Management.

Example: Employee starts on April 2nd 2011. At January 1st 2016, the employee would be in their 5th year of service and would be entitled to 3 weeks' vacation from the start of the calendar year. (Using an annualized method will remove the necessity for vacation to be pro-rated.)

Employee Entitlement – For Employees in Job Grades 8 and Above

1. Employees will be eligible for vacation accrual according to the following schedule:

Length of Service Completed (Annualized and not pro-rated)	Regular Full-time Employees	Regular Part-time Employees
• 0 to 4 years of service	3 weeks' vacation	6%
• 5 to 9 years of service	4 weeks' vacation	8%
• 10 to 14 years of service	5 weeks' vacation	10%
• Over 15 years of service	6 weeks' vacation	12%

2. Employees may carry over two weeks' vacation to the next year.

Example: Employee starts on April 2nd 2011. At January 1st 2016, the employee would be in their 5th year of service and would be entitled to 4 weeks' vacation from the start of the calendar year. (Using an annualized method will remove the necessity for vacation to be pro-rated.)

Section 8 – Sick/Family/Personal Leave

8.01 Each regular part-time and full-time employee is granted sick/family/personal leave each year with any unused days to be paid to the employee at the end of each year.

8.02 Employees are required to report their absence to their Supervisor/Manager as soon as possible.

8.03 An employee who successfully sues a third party, for losses sustained or purported to be sustained during an absence for which sick leave credits were expended by the Company, is required to reimburse the Company, to the full extent of that expenditure in exchange for reinstatement of equivalent sick/family/personal leave credit.

Employee Entitlement

1. Each regular full-time employee will be granted nine (9) days sick/family/personal leave per year.
2. Regular part-time employees will be granted six (6) days sick/family/personal leave per year.

Section 9 – Employee Benefits

Pension

9.01 All eligible employees with the Company must participate in the Company Pension and Insurance as follows:

i) Ontario Municipal Employee Retirement System (OMERS) basic on an equally shared basis with the company as per the terms and conditions set out by OMERS.

ii) Canada Pension Plan (CPP) as per legislation.

9.02 Regular part-time employees may choose to join OMERS when they become eligible. A regular part-time employee is eligible to join OMERS when they have worked at least 700 hours and have earned at least 35% of the CPP earnings limit in both of the previous two calendar years. (As per OMERS requirements). The company will share the cost of OMERS contributions.

Short-Term Disability (STD)

9.03 Regular full-time employees who are unable to perform their duties due to non-occupational illness or injury and have completed their probationary period are entitled to short term disability insurance.

9.04 The Benefits Provider will determine eligibility.

Employee Entitlement – For All Employees

1. Benefit Amount: 75% of weekly gross earnings to a maximum of $2,000
2. Qualifying Period – normally 3 working days, 0 for accident, 1st day of hospitalization
3. Maximum Benefit Period – 17 weeks
4. The company will maintain extended health, dental and life insurance benefits while the employee is on STD.

Long Term Disability (LTD)

9.05 Regular full-time employees who have completed their probationary period and are off work for seventeen (17) weeks due to a non-occupational illness or injury shall be eligible to apply for long-term disability benefits.

9.06 Eligibility for LTD will be assessed and determined by the benefits provider.

Employee Entitlement

1. Benefit Amount: 75% of monthly gross earnings on the date of disability to a maximum of $8,700 per month.
2. Qualifying Period – 119 days
3. The company will maintain extended health, dental and life insurance benefits for a period of 24 months from the date of disability.

Life Insurance and Accidental Death & Dismemberment (AD&D)

9.07 Regular full-time employees will receive life insurance and AD&D.

Employee Entitlement

1. Company shall pay (100%) of the premium for regular full-time employees.
2. Life Insurance – 1.5 times annual salary, plus
   0.5 time annual salary
3. Extended Life – ½ annual salary at retirement.
   Employees may explore alternatives within the term of this agreement. If an alternative is found and agreed upon by the majority of the employees, the agreement will be re-opened to reflect the change. The retiring employee will receive whichever benefit is stated in the agreement at the time of their retirement.
4. AD&D – 1.5 times annual salary.

Extended Health and Dental

9.08 Regular full-time employees will receive health and dental coverage.

Employee Entitlement

1. Company shall pay (100%) of the premium as for regular full-time employees.
2. Extended Health:
   - Semi-private hospital
   - Vision Care (including eye examination) - $500 per calendar year for children under 18, $500 every 2 calendar years for 18 and over

    - 100% of prescriptions
3. Out-of- Province
4. Dental
    - 6 month recall
    - Major Services - $1,500 per calendar year per covered person

9.09 The Company may substitute another benefit carrier for any of the insured plans providing the level of benefits will be equivalent to plans presently in effect.

Section 10 – Leave of Absence

Bereavement Leave

10.01 In the case of the death of a member of a regular full-time or regular part-time employee's family, whether the relationship is through marriage or common-law (as defined by the Family Law Act R.S.O. 1990, c. F.3), a leave of absence with pay will be granted for the purpose of arranging or attending the funeral.

Employee Entitlement		
	Relationship	Leave Period
1.	Spouse, common-law spouse, child or step-child, grandchild	5 working days
2.	Mother, father, brother, sister, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, grandparent-in-law, brother-in-law, sister-in law	3 working days
3.	Aunt, uncle, niece, nephew, or first cousin	1 working day
4.	Bereavement leave will be granted to regular part-time employees on a pro-rated basis.	

10.02 If the bereavement leave falls on a paid holiday or vacation period the employee will be credited for the vacation or paid holiday.

Pregnancy Leave

10.03 Employees who are pregnant and who have been employed by the Company for at least thirteen (13) weeks prior to the expected date of birth are entitled to take a pregnancy leave without pay and without loss of service/seniority or benefits.

10.04 As per Employments Standards Act, the pregnancy leave is for a seventeen (17) week period commencing on the date requested by the mother to commence leave, or the date of birth (whichever is first). The earliest a pregnancy leave can begin is usually 17 weeks before the baby's due date. The latest a pregnancy leave can begin is usually the baby's due date. However, if the baby is born earlier than the due date, the leave must begin no later than the baby is born. Within these restrictions an employee can start her pregnancy leave any time she chooses.

10.05 Employees taking pregnancy leave must provide at least two weeks written notice advising of the date that the leave will begin. The date chosen for commencing leave must be no more than seventeen (17) weeks prior to the expected date of birth.

10.06 The pregnancy leave of an employee ends seventeen (17) weeks after the pregnancy leave began. If the employee wishes to return to work earlier, the employee will provide at least four (4) weeks written notice of the date of return.

Parental Leave

10.07 If an employee has been in the employment of the Company for at least thirteen (13) weeks and is the parent of a child, he/she is entitled to take an unpaid parental leave, without loss of service/seniority or benefits, for up to thirty-seven (37) weeks following the birth of the child, or the coming of the child into the employee's custody, care, and control for the first time. The term parent includes a person with whom the child is placed for adoption and a person who is in a relationship of some permanence with the parent of the child and who intends to treat the child as his or her own.

10.08 Employees who wish to take a parental leave shall commence such leave no more than fifty-two (52) weeks after the day the child is born or comes into the employee's custody, care and control for the first time.

10.09 Employees who have taken a pregnancy leave and who also desire to take a parental leave shall commence parental leave immediately when the pregnancy leave ends, unless the child has not yet come into the custody, care and control of the parent for the first time.

10.10 Adoptive parents may commence parental leave when the child comes into the custody and control of the parent.

10.11 The employee will provide at least two (2) weeks written notice of the date the leave is to begin.

10.12 Parental leave ends thirty-five (35) weeks after it began, if the employee also took pregnancy leave. Parental leave ends thirty-seven (37) weeks after it began if the employee did not also take pregnancy leave. The parental leave may end earlier if the employee gives the employer at least four (4) weeks written notice.

For Both Pregnancy and Parental Leave

10.13 Employees are entitled, during pregnancy and parental leave, to continue participation in the benefit plans that they participated in prior to taking the leave. The employer continues to make the employer's contribution unless the employee gives the employer written notice that the employee does not intend to pay the employee's contributions during the period, in which case such benefits would cease.

10.14 While on pregnancy and parental leave, employees continue to be eligible for employee benefits, including: vacation pay, sick/family/personal leave, holiday pay and clothing allowance.

10.15 While on pregnancy and parental leave, employees continue to accumulate service for the purposes of determining salary increment and vacation entitlement.

10.16 Employees are reinstated following return from pregnancy or parental leave in the position that the employee held prior to commencing leave, if it still exists, or a comparable position at the rate equal to the wages most recently paid by the employer.

Unpaid Leave of Absence

10.17 Written requests from regular full-time employees for an unpaid leave of absence will be considered on an individual basis by the Board of Directors, or designate. Requests for a leave of absence should be made as far in advance as possible.

10.18 Benefit coverage will be maintained for leaves less than 30 calendar days.
For leaves in excess of 30 days, the employee may continue with the benefit coverage provided the individual pays the premiums.

10.19 In January, Payroll will issue a letter to each employee advising of their individual benefit coverage rates for that particular year.

Personal Emergency Leave

10.20 Probationary, temporary, regular part-time, casual part-time and regular full-time employees are eligible to take up to ten (10) unpaid days leave per year due to personal illness, injury, or medical emergency of the employee or an immediate family member of the employee. (As per the Employment Standards Act).

Family Medical Leave

10.21 Probationary, temporary, regular part-time, casual part-time and regular full-time employees may take an unpaid leave of absence of up to eight (8) weeks in a 26-week period to provide care or support to family members with a serious medical condition (as per the Employment Standards Act).

10.22 Service will accrue during a family medical leave (as per the Employment Standards Act).

10.23 Regular full-time employees' benefit coverage will continue during the duration of Family Medical Leave up to eight (8) weeks in a 26-week period (as per the Employment Standards Act). After this period, employees may maintain their benefit coverage provided that they pay the insurance premiums during the leave of absence.

10.24 In January, Payroll will issue a letter to each employee advising of their individual benefit coverage rates for that particular year.

Jury Duty

10.25 Leave of absence with pay will be granted to duly subpoenaed, regular employee called upon to perform jury duties or act as a witness on behalf of the Company provided the fees paid for such duties are turned over to the Company for deposit to the credit of the Company. The employee shall present proof of service and amount of payment received.

Volunteer Firefighters

10.26 Leave of absence with pay will be granted to volunteer firefighters responding to alarm calls during working hours. Permission must be received from the supervisor prior to leaving the workplace in order to respond to the alarm. To be reviewed annually.

Inclement Weather

10.27 The Mount Forest office location will remain open notwithstanding inclement weather. If an employee is unable to make it into work due to adverse weather conditions, which makes driving hazardous or when local roads are closed, he or she will not be paid for the time lost and such time will be charged against the employee's personal/sick/ family allotment, annual vacation allotment or accumulated banked time or be deducted from that pay period (i.e. unpaid leave).

10.28 In circumstances where Management take the decision to close the Mount Forest office the employee will be paid by the company as per a normal business day.

10.29 If an employee is unable to make it into work due to adverse weather conditions, which makes driving hazardous or when local roads are closed, he or she will notify their Supervisor/Manager as soon as safely possible.

10.30 During inclement weather, if there is fewer than two (2) office staff at the Mount Forest office, the office will be closed to the members of public due to safety precautions.
Office staff will place a notice on the office door and post a message on social media channels advising the office is closed until further notice.
During this time, office staff are expected to answer telephone calls, respond to e-mails and assist Operations as per a normal business operating day.

Section 11 – Retirement

11.01 The normal retirement date is the end of the month following the employee's 65th birthday. However, the employee may choose to retire at an earlier age or continue working past their 65th birthday.

11.02 Employees approaching the normal retirement date should notify Management at least six (6) months prior to their retirement date to confirm their intention to retire or that they will continue in their current position beyond their normal retirement date. Information regarding the employee's retirement benefits will be provided through OMERS.

11.03 An employee may exercise his or her option for early retirement under OMERS. Eligibility and retirement benefits shall be subject to the terms and conditions as set out by OMERS.

11.04 Extended health and dental benefits are available to employees who retire early. Benefits are subject to the carrier's terms and conditions for the provisions of the benefits plan.

11.05 Post retirement life insurance coverage is provided for all retiring full-time employees who qualify for coverage under the provisions of the benefit plan. Post retirement life insurance is a taxable benefit. The employer will provide to the retiree the required tax remittance forms. The covered retiree is not permitted to opt out of this coverage.
As per Section 9.07 – "Life Insurance and AD&D" concerning Employee Entitlement for Extended Life, employees may explore alternatives within the term of this agreement. If an alternative is found and agreed upon by the majority of the employees, the agreement will be re-opened to reflect the change. The retiring employee will receive whichever benefit is stated in the agreement at the time of their retirement.

11.06 If a retired employee were rehired on a part-time or temporary full-time basis, the employer would pay 100% of their benefit costs for the course of their employment or up to age 65.

11.07 Employees may choose to continue working past their normal retirement date. Employees who do so will not be required to make contributions to OMERS or CPP as per the terms and conditions of those plans.

11.08 Upon retirement the employee would be entitled to be paid for any vacation earned but not taken at the time of retirement. In addition the employee would receive pay for any banked overtime and any sick/personal/family leave earned but not used.
Note: that vacation and sick/personal/family leave would be pro-rated for the year in which the employee retires.

11.09 Employees would be required to reimburse the Employer for any vacation time or sick/personal/family leave taken that was not earned.

11.10 At the discretion of the Board, retirees with a minimum of ten years' continuous service will be celebrated in the form of a distinct gift and letter from the Board that recognizes the employee's service. They will be presented at a Board meeting just prior to the employee's retirement date.

Employee Entitlement

1. Extended health and dental benefits are available to employees with twenty years of continuous service with Wellington North Power Inc., who take early retirement.
2. Benefits are available from the date of retirement until the employee reaches age 65.
3. The retired employee is required to pay fifty percent (50%) of the premium costs, at least 30 days in advance.
4. All health and dental benefits cease at age 65.
5. Post retirement life insurance is provided at no cost to the retired employee and continues past the age of 65.
6. Extended health and dental benefit coverage will cease on the 1st day of the month following their 65th birthday.

Section 12 – Respect in the Workplace

12.01 Employees and workers have the right to work in a safe and respectful environment that is free of physical violence and emotional harassment. Any threats or acts of violence or harassment by or against employees, workers, contractors or customers are unacceptable and will not be tolerated. All incidents of violence or concerns about situations that could become violent must be reported. Further information is detailed in the Company's Harassment Policy and associated procedure.

12.02 The company will investigate all reported acts of workplace harassment or violence.

12.03 Any form of reprisal against an employee who, in good faith, reported a workplace violence or harassment incident is prohibited.

Section 13 - Employee Complaints

13.01 It is the desire of the Company that employee concerns be dealt with and resolved as quickly as possible. Prior to submitting a formal complaint the employee will discuss the matter with his or her immediate Supervisor. This should occur within ten (10) days of the incident that gave rise to the concern.

13.02 If the matter remains unresolved, the employee may submit a written complaint to his or her immediate Supervisor.

13.03 The immediate Supervisor will reply in writing within five (5) days of receiving the written complaints.

13.04 If the matter remains unresolved, the employee may submit a written complaint to the Organization, Personnel and Market Relations Committee within five (5) days of receiving the written response from the immediate Supervisor.

13.05 The Organization, Personnel and Market Relations Committee will review the complaint at their next regularly scheduled meeting and will provide a response in writing to the employee within five (5) days of the meeting.

Section 14 – Job Posting

14.01 All permanent vacancies and any temporary vacancies as a result of a leave of absence or a vacated position (i.e. an employee leaving the Company) and anticipated to be of more than three (3) months duration, will be posted internally for three (3) business days. If the vacancy is not filled internally, then the vacant position can be posted externally.

Section 15 – Travel

15.01 For the purpose of insurability and to demonstrate that they hold the proper license, probationary, temporary, regular part-time, casual part-time and regular full-time employees in positions required to hold a valid driver's license must provide a driver's abstract at the time and on an annual basis thereafter as a condition of employment. The employer will reimburse the employee for the cost associated with providing a driver's abstract.

15.02 Probationary, temporary, regular part-time, casual part-time and regular full-time employees using their own vehicles for business travel must provide proof of $1 million liability insurance.

15.03 The company's insurer declares that the Insurance Act in Ontario stipulates the vehicle owner's insurance is primary and responds first. The company's insurer endorsement is designed to pay liability claims in excess of the insurance carried by the vehicle's owner; and it does not cover physical damage for the vehicle.

15.04 Workplace Safety and Insurance Board (WSIB) acknowledges that employees are covered by workers' compensation while performing services for the business including:
a) In certain circumstances, travel from the employee's residence to a remote worksite;
b) Travelling in the course of business either on a business trip or walking across the street to make a bank deposit on behalf of the business;
c) Travelling to and from the worksite and the employer's place of business on the most reasonably direct route.

Employees are <u>not</u> covered while travelling from their residence to their regular place of employment or for injuries incurred while on leave of absence such as a vacation or maternity leave.

WSIB policy regarding travel states "*the mode of travel may be by public transportation or by employer or worker vehicle if the employment requires the use of such a vehicle*" where a "worker vehicle" includes the personal vehicle of a worker.

It is important to note that there is only WSIB coverage if the employment requires the worker to be travelling at the place and time the accident occurred while using his/her personal vehicle.

15.05 Probationary, temporary, regular part-time, casual part-time and regular full-time employees who choose to use their personal vehicle on Company business will be paid a mileage allowance.

15.06 Business travel mileage reimbursement shall be calculated as detailed in the Company's Mileage Policy.

Employee Entitlement
1. Mileage will be paid at fifty-five ($0.55) cents per kilometer effective January 1, 2020 to December 31, 2022.

15.07 Rather than using their own personal vehicle, an employee has the alternative option of hiring a vehicle from a rental company to attend a meeting, training, conference or event on behalf of the company that is not at the employee's normal place of work.

15.08 The hiring of a rental vehicle by an employee must be approved by Management and adhere to the conditions set out in Wellington North Power Inc.'s "Company Vehicle Policy".

Section 16 – Allowance

16.01 Clothing Allowance - The Company will provide regular full-time and regular part-time employees with all tools, safety equipment and clothing to be used by the employee in the safe performance of his or her assigned duties for the Company as deemed necessary.

16.02 Traffic Safety Clothing - Fire Resistant/Traffic Safety clothing replacement will be made only on presentation of the damaged or worn out article to be replaced.

16.03 Prescription Safety Glasses
Upon approval of Management, the Company will reimburse to any full time employee who performs work where safety glasses are required upon presentation of a receipt to their Supervisor.

16.04 Clothing Allowance
The clothing allowance will be increased by the same percentage whenever the salary scale is adjusted.

Employee Entitlement

1. All regular full-time employees will receive an annual clothing allowance to purchase boots and clothing:
   - Effective January 1st to December 31st 2020 - $358.24
   - Effective January 1st to December 31st 2021 - $365.41
   - Effective January 1st to December 31st 2022 - $371.80

Section 17 – Wages and Progression

17.01 Employees will be paid according to the salary range for their position on the Internal Equity Salary Scale.

17.02 Employees will be paid bi-weekly by direct deposit.

17.03 New employees who meet the qualifications advertised for a position are placed at the starting level of the appropriate job grade for the position.

17.04 If difficulty is encountered filling the vacancy at the start rate, or if an incumbent has significant related experience, then the incumbent may be placed at a higher step on the salary scale.

17.05 Employees that do not meet the minimum qualifications of the position may be hired at a "Training Rate" at 75% of the Job Rate for their position.

Merit/Step Increases

17.06 Merit/step increases within the salary scales may be granted to employees conditional on satisfactory performance. Consideration will be given to completion of educational/training programs, special projects and day-to-day job performance when determining eligibility for merit increases.

17.07 Employees receiving merit increases will move up one full step on their salary scale.

17.08 Merit increases are not to be considered automatic.

17.09 To be eligible for an increase, the employee must have been in his/her current position for at least six months.

17.10 Merit increases:

- Full-time Employees: Merit increases are determined by Management on an annual basis and are effective January 1st.
- Full-time Management: Merit increases are determined by the Board of Directors on an annual basis.

17.11 Part-time Employees: Merit increases will be considered after each year of service as calculated using the OMERS calculation for years of service.

Journeyman/Apprentice

17.12 Employees who are Journeyman Apprentices will be hired at the appropriate step in the journeyman salary range based on their level of training and experience.

17.13 Employees will move to the next level in the journeyman salary range when they have completed the required training level and hours.

17.14 After completion of the Journeyman Training Course, the Journeyman must work for one (1) year to prove his/her on-the-job competence before receiving the Journeyman rate of pay.

External Equity Review

17.15 An independent review of compensation rates will be initiated by a third party Human Resources consultant six (6) months preceding the termination date of the current working agreement.

17.16 This independent assessment conducted by the third party Human Resources consultant will include all employee positions (at that time).
(Note: this independent assessment conducted by the third party Human Resources consultant may be used as evidence filed with future Cost of Service rate applications.)

17.17 If Wellington North Power Inc. wage rates are higher than the third party Human Resources consultant's review, no adjustment will be made.

Salary Scales

17.18 The salary scales for the term of this agreement will be as summarized in the tables over the following pages.

Employee Entitlement

1. **2020 Salary Scales:**
   Based on a 2.0% Cost of Living and Relativity Allowance increase effective January 1st 2020.

Internal Equity Salary Scale - January 1st 2020 to December 31st 2020

Job Grade	**Training Rate** (75% of Job Rate)	**Step 1** (86% of Job Rate)	**Step 2** (89.5% of Job Rate)	**Step 3** (93% of Job Rate)	**Step 4** (96.5% of Job Rate)	**Job Rate**
1	$16.01	$18.36	$19.11	$19.85	$20.60	$21.35
2	$19.22	$22.03	$22.93	$23.83	$24.72	$25.62
3	$22.43	$25.72	$26.77	$27.81	$28.86	$29.91
4	$25.64	$29.40	$30.60	$31.80	$32.99	$34.19
5	$28.85	$33.08	$34.43	$35.77	$37.12	$38.47
6	$32.05	$36.75	$38.24	$39.74	$41.23	$42.73
7	$35.27	$40.44	$42.09	$43.73	$45.38	$47.02
8	$38.47	$44.12	$45.91	$47.71	$49.50	$51.30
9	$41.69	$47.80	$49.75	$51.69	$53.64	$55.58
10	$44.90	$51.49	$53.58	$55.68	$57.77	$59.87
11	$48.11	$55.16	$57.41	$59.65	$61.90	$64.14
12	$51.32	$58.85	$61.24	$63.64	$66.03	$68.43
13	$54.53	$62.52	$65.07	$67.61	$70.16	$72.70
14	$57.74	$66.21	$68.90	$71.60	$74.29	$76.99

Apprentice Salary Scale - January 1st 2020 to December 31st 2020

Apprentice	**Start**	**Step 1** (Upon successful completion of probation)	**Step 2** (After completion of Level 1 training and 2000 hours)	**Step 3** (After completion of Level 2 training and 4000 hours)	**Step 4** (After completion of Level 3 training and 6000 hours)	**Step 5** (After completion of Level 4 training and 8000 hours)
% Of Job Grade 6	65%	70%	75%	80%	85%	90%
	$27.77	$29.91	$32.05	$34.18	$36.32	$38.46

2. 2021 Salary Scales

Based on a 2.0% Cost of Living and Relativity Allowance increase effective January 1st 2021.

Internal Equity Salary Scale - January 1st 2021 to December 31st 2021

Job Grade	Training Rate (75% of Job Rate)	Step 1 (86% of Job Rate)	Step 2 (89.5% of Job Rate)	Step 3 (93% of Job Rate)	Step 4 (96.5% of Job Rate)	Job Rate
1	$16.33	$18.73	$19.49	$20.25	$21.01	$21.77
2	$19.60	$22.48	$23.39	$24.30	$25.22	$26.13
3	$22.88	$26.23	$27.30	$28.37	$29.44	$30.50
4	$26.16	$29.99	$31.21	$32.43	$33.65	$34.88
5	$29.43	$33.74	$35.12	$36.49	$37.86	$39.23
6	$32.69	$37.48	$39.01	$40.53	$42.06	$43.58
7	$35.97	$41.25	$42.93	$44.61	$46.29	$47.96
8	$39.24	$45.00	$46.83	$48.66	$50.49	$52.32
9	$42.52	$48.76	$50.74	$52.73	$54.71	$56.69
10	$45.80	$52.52	$54.65	$56.79	$58.93	$61.07
11	$49.07	$56.27	$58.55	$60.84	$63.13	$65.42
12	$52.35	$60.02	$62.47	$64.91	$67.35	$69.80
13	$55.62	$63.77	$66.37	$68.96	$71.56	$74.15
14	$58.89	$67.53	$70.28	$73.03	$75.78	$78.53

Apprentice Salary Scale - January 1st 2021 to December 31st 2021

Apprentice	Start	Step 1 (Upon successful completion of probation)	Step 2 (After completion of Level 1 training and 2000 hours)	Step 3 (After completion of Level 2 training and 4000 hours)	Step 4 (After completion of Level 3 training and 6000 hours)	Step 5 (After completion of Level 4 training and 8000 hours)
% Of Job Grade 6	65%	70%	75%	80%	85%	90%
	$28.33	$30.51	$32.69	$34.87	$37.05	$39.22

3. 2022 Salary Scales

Based on a 1.75% Cost of Living and Relativity Allowance increase effective January 1st 2022.

Internal Equity Salary Scale - January 1st 2022 to December 31st 2022

Job Grade	Training Rate (75% of Job Rate)	Step 1 (86% of Job Rate)	Step 2 (89.5% of Job Rate)	Step 3 (93% of Job Rate)	Step 4 (96.5% of Job Rate)	Job Rate
1	$16.62	$19.05	$19.83	$20.60	$21.38	$22.16
2	$19.94	$22.87	$23.80	$24.73	$25.66	$26.59
3	$23.28	$26.69	$27.78	$28.87	$29.95	$31.04
4	$26.61	$30.52	$31.76	$33.00	$34.24	$35.49
5	$29.94	$34.33	$35.73	$37.13	$38.52	$39.92
6	$33.26	$38.14	$39.69	$41.24	$42.79	$44.35
7	$36.60	$41.97	$43.68	$45.39	$47.10	$48.80
8	$39.93	$45.79	$47.65	$49.51	$51.38	$53.24
9	$43.27	$49.61	$51.63	$53.65	$55.67	$57.69
10	$46.60	$53.44	$55.61	$57.78	$59.96	$62.13
11	$49.93	$57.25	$59.58	$61.91	$64.24	$66.57
12	$53.26	$61.07	$63.56	$66.05	$68.53	$71.02
13	$56.59	$64.89	$67.53	$70.17	$72.81	$75.45
14	$59.92	$68.71	$71.51	$74.31	$77.10	$79.90

Apprentice Salary Scale - January 1st 2020 to December 31st 2020

Apprentice	Start	Step 1 (Upon successful completion of probation)	Step 2 (After completion of Level 1 training and 2000 hours)	Step 3 (After completion of Level 2 training and 4000 hours)	Step 4 (After completion of Level 3 training and 6000 hours)	Step 5 (After completion of Level 4 training and 8000 hours)
% Of Job Grade 6	65%	70%	75%	80%	85%	90%
	$28.82	$31.04	$33.26	$35.48	$37.69	$39.91

Section 18 - Internal Equity Maintenance Review Process

18.01 When a new position is established, the Company will prepare a Job Description for the job. The job will be evaluated by Management and a third party HR Consultant/Specialist, using the job evaluation plan to determine the value of the job and the appropriate pay grade on the Internal Equity Salary Scale.

18.02 For existing positions, employees may request that their job descriptions be updated to reflect significant changes in their job duties and responsibilities. To initiate a review, the employee shall submit in writing their reasoning for a review to Management.

18.03 Positions may only be submitted for maintenance review once per year.

18.04 The maintenance review process will determine if there are any changes in the factor ratings and the final value of the job. The final value of the job will determine the pay grade for the job.

18.05 If the maintenance review results in a pay increase, the increase will be effective from the date the review request was received by Management.

18.06 Employees whose positions are upgraded to a higher salary grade will have their salary increased to the level on the grid of the higher grade, which ensures the incumbent a minimum annual increase of 2%.

18.07 Employees, whose positions are downgraded to a lower salary grade, will be red-circled and will not receive cost of living or merit increases until the maximum of the lower salary grade meets the incumbent's current salary.

Section 19 – Employee Performance

Performance Appraisal

19.01 Performance Appraisal will be conducted on a regular basis. Probationary employees will receive a performance appraisal after three (3) months and again after six (6) months of employment. After an employee has passed the probationary period a performance appraisal will be completed by Supervisors/Managers by the end of the first (1st) quarter of the year.

19.02 Employees are expected to sign off on their performance appraisal and will receive a copy of their completed performance appraisal.

19.03 The performance appraisal must be completed for the employee to be eligible for a merit increase (see Section 17.06).

19.04 Conducting appraisal reviews:
- a) The Board of Directors will complete the performance appraisal for Management;
- b) Management will complete the performance appraisals for the Supervisors;
- c) Supervisors will complete the performance appraisals for the employees who report to them.

Discipline

19.05 Employees are responsible and will be held accountable for their actions, neglect, or failures to meet required legislation, regulations, policies, procedures and practices. Accountability will be governed and enforced through progressive discipline as set-out in the Company's Discipline Policy.

19.06 Supervisors are responsible for ensuring that appropriate disciplinary measures are taken where employees contravene the Occupational Health & Safety Act, Industry Regulations or Policies and Procedures.

19.07 All disciplinary action will be documented in the worker's personnel file.

Employee Training and Education

19.08 The Company will be responsible for all mandatory testing and training directly related to employees' jobs as well as any mandatory testing and training required by law.

19.09 The Company will consider the payment and or assistance of employee educational pursuit if the training or educational course would be of direct benefit to the job performance of the employee and consequently beneficial to the Company.

19.10 The company will reimburse an employee for any preapproved registrations in regards to educational pursuit when presented with a confirmation of a passing grade.

19.11 An employee will receive their regular wages for working their regularly scheduled work day while they are attending the training/educational session. Regular time will be paid if the session itself or the travel to and from the session results in the employee being away from the office or their home beyond their regular working hours.

Journeyman Apprentice

19.12 The company will pay the Provincial Powerline Technician Training Program direct and indirect costs and maintain the employee's salary while on the training courses.

19.13 The employee will be required to reimburse the Company for the direct costs (registration fees for the program) if he/she leaves the company to work for another power company within two years following the successful completion of all levels of the Powerline Technician Program.

Section 20 – Fitness for Duty

20.01 Employees shall not attempt work for which they are mentally or physically unfit.

20.02 Any Employee having reason to believe that another employee is unfit for the work assigned shall make an immediate report to their Supervisor.

20.03 Employees shall not be under the influence of alcohol or illegal drugs during working hours or On Call.

Modified Work

20.04 Employees returning to work from an illness or injury may be eligible to participate in a modified work program.

20.05 When possible, the Company will provide modified work to employees who are medically able to return to work but are unable to perform all of the duties associated to their position or to work their regular hours of work.

Section 21 – Approval of Working Agreement

Dated this 3 day of February 2020

Resolution # 2020-0203-106

Moved by: Dan Yake Name: Dan Yake **(Director)**

Seconded by: Name: Mark Hillis **(Director)**

Be it Resolved

THAT the Board of Directors for Wellington North Power Inc. approves the amendments to the Employee Working Agreement including wage rate changes for the period of January 1st 2020 to December 31st 2022 as contained in the "Employee Working Agreement" document.

Chairman: Name: Andrew Lennox

Employees:

Sandie Martin

Richard Bucknall

S.J. Ray

Kathy Hill

APPENDIX 4C CHEC WAGE & BENEFIT ANALYSIS

Achievement through Collaboration

WAGE AND BENEFIT ANALYSIS:

2020

The following is CHEC's wage and benefit analysis for the year 2020. This analysis is to assist the CHEC group with personnel planning, recruitment, and compensation as well as aid in developing effective internal policies and procedures.

May 30, 2020

Cornerstone Hydro Electric Concepts Association Ltd.
www.checenergy.ca

Note:

This report has been amended to exclude any personal identifiable information

Executive Summary:

This is the **fifth** CHEC analysis and report (previously reported in 2011, 2014, 2016, and 2018) on compensation trends for the CHEC LDC's. All CHEC LDC's were offered participation in this analysis and to date fourteen LDCs have fully participated (management and staff / union information provided), while one LDC has partially participated (union information only). This represents a 78% participation rate for the full analysis.

Confidentiality of Information:

All the information collected through this analysis has been treated with the utmost confidentiality. To preserve the confidentiality of data supplied by participating organizations, compensation details are only reported on an aggregate basis and where a minimum of four organizations are included in the sample to ensure confidentiality. In addition, every effort has been made to identify and remove anomalies within the data.

Analysis results are only being reported to those LDCs who participated and provided data for the report. All participants are asked to consider this report strictly confidential and are asked to not share the results with any entity that has not participated in the analysis.

Disclaimer:

This analysis has not been designed to cover every possible position in your organization. It is intended to cover the most common positions found in most LDCs across the CHEC group of LDCs. The selected positions are intended to be benchmarks only and should be treated accordingly.

Project Background:

The purpose of this report is to provide a general analysis to the participating CHEC LDC's that identifies information that is useful for decision making purposes. This analysis is primarily based on data provided to CHEC.

Cornerstone Hydro Electric Concept Association (CHEC) is an association of eighteen Local Distribution Companies (LDCs) that work collaboratively to meet regulatory and operational requirements. The LDC's covered under this analysis include:

CHEC MEMBERS	
Centre Wellington Hydro	ERTH Power
Fort Frances Power Corporation	Grimsby Power
InnPower	Lakefront Utilities
Lakeland Power	Niagara-on-the-lake Hydro
Orangeville Hydro	Ottawa River Power Corporation
Renfrew Hydro	Rideau St. Lawrence Distribution
Tillsonburg Hydro	Wasaga Distribution
Wellington North Power	

The major topics that make up the report are:

1. Management Analysis
2. Staff / Union Analysis
3. Pension Analysis and
4. Conclusion

Analysis (Management):

The respondents were asked to indicate how management is compensated within the LDC's. The compensation packages are comprised of diverse elements. The following summary provides an overview of the compensation elements for CHEC LDC Management.

Remuneration:

Monetary remuneration is indicated as a High / Low range. Along with the low and high ranges is the group median. The group median is used in this report as unlike the group average, it is not affected by any single value being too high or too low and is therefore considered a better measure of the group mid-point.

Position	CHEC Low Range	CHEC High Range	CHEC Median
President / CEO	$99,900	$232,300	$144,000
Administrative Assistant	$43,800	$79,000	$63,200
VP/CFO	$77,000	$150,000	$123,300
Controller/Treasurer	$70,000	$124,700	$92,400
Financial Analyst	$57,800	$108,700	$78,200
Finance Assistant	$52,400	$75,700	$59,600
VP/Director Operations	$83,000	$150,000	$127,600
Operations Manager	$80,600	$148,000	$103,400
Operations Supervisor	$65,400	$123,000	$95,800
Engineering Manager	$65,500	$127,700	$103,500
Distribution Engineer	$76,500	$100,000	$87,500
CS / Billing Manager	$68,100	$121,000	$91,200
CS / Billing Supervisor	$58,000	$108,700	$81,200
Regulatory Manager	$59,700	$107,000	$91,400
IS Systems Analyst	$55,000	$79,600	$57,900
HR Manager	$59,500	$107,000	$80,900
CDM Coordinator	$55,900	$85,200	$78,300

Benefits:

Benefit packages among the LDC's was comparable with no significant differences in the benefits received among the management group. Typical management level benefits reported are as follows:

Description	Benefit
Work Hours	35 – 40 hours
Overtime	Half of the participants offered some form of OT, ranging from time-in-lieu to double time
Paid Holidays	11 – 13 days per year – Includes all standard holidays
Floater Days	1 – 3 days per year
Vacation	Scaled – Most commonly starts at 2 weeks after 1 year with an additional week at approximately 3, 9, 17, and 25 years
Medical	Medical coverage is robust offering semi-private to private and prescription coverage, some form of vision and hearing aid assistance, along with some support for other professional services such as chiropractor, osteopath, podiatrist, massage therapist, naturopath, etc. See table below for low to high ranges.
Dental	Dental coverage is also robust, covering basic dental procedures and most plans providing additional coverage for major procedures and orthodontics
Life / AD&D	Typically, some form of life insurance and/or AD&D coverage is provided. Generally, 1.5 – 2 times base salary
Sick Days	In general, most employees accrue 1-1.5 days / month

ST – LT Disability	ST typically covers 100% for up to 3 months, LT covers 66 2/3% with a monthly maximum between $3,000 and $9,000
Pension	In addition to CPP, participation in OMERS is typically offered, employee contributions are matched by employer on a 1:1 basis
Bereavement	Typically, 1 – 5 days, depending on relationship to the deceased
Jury Duty	Typically, full pay less amount received from Jury Service
Notes: In some instances, there is enhanced coverage of benefits for executive level personnel. A few of the CHEC LDCs have also indicated that they provide some assistance in other areas such as cell phones, home & auto insurance coverage, payment of professional association fees (i.e.: CPA / P.Eng.), educational assistance, and an annual clothing allowance. These benefits are not consistent among the group.	

Medical	Low	Median	High
Naturopath / year	300	600	850
Chiropractic / year	300	600	850
Massage / year	300	600	850
Physiotherapist / year	500	600	5,000
Hearing Aids / 5 years	300	500	2,500
Vision / 2 years (not incl. eye exam)	350	450	550

Annual Increase in Salary:

The annual salary increase for all management positions was tracked and was estimated to be approximately 2.12% for 2019.

Analysis (Union Staff):

The respondents were asked to indicate how union staff is compensated among the LDC's. The compensation packages are comprised of diverse elements. The following summary provides an overview of the compensation elements for CHEC LDC Staff.

Remuneration:

Monetary remuneration is indicated as a High / Low range. Along with the low and high ranges is the group median. The group median is used in this report as unlike the group average, it is not affected by any single value being too high or too low and is therefore considered a better measure of the group mid-point.

Inside Staff	Low Range	High Range	CHEC Median
Accounting Clerk	$25.10	$38.30	$30.47
Regulatory Analyst	$24.39	$35.77	$30.75
Cashier	$16.37	$31.13	$24.75
Office / Billing Clerk	$19.51	$35.99	$28.86
Customer Service Rep.	$21.76	$39.59	$28.60

IT Analyst / Generalist	$28.62	$41.92	$33.78
Sr. Engineering Tech	$43.76	$49.46	$45.39
Engineering Tech	$25.45	$47.15	$37.72
GIS/CAD/Design Tech	$25.66	$39.79	$33.77

Outside Staff	Low Range	High Range	CHEC Median
Foreman	$35.27	$51.30	$45.20
Journey / Lineman	$22.33	$44.82	$34.25
Meter Technician	$20.74	$45.07	$34.33
Meter Reader	$17.54	$36.29	$24.03
Operations Coordinator	$28.02	$36.98	$33.13
Laborer/Grounds Person	$17.54	$31.56	$25.94

It should be noted that most union staff positions are based on a progressive scale and consider experience and seniority. The low range typically represents an entry level or apprentice position, while the high range typically represents a more senior individual or a fully qualified tradesperson.

Benefits:

Benefit packages among the LDC's was comparable with no significant differences in the benefits received among the unions between LDCs. Typical union level benefits reported are as follows:

Description	Benefit
Work Hours	35 – 40 hours
Overtime	Typically paid as double-time
On-Call	Typically, a minimum of 2 hours at double time – Average on-call pay is $263 / Week
Relief Pay	Generally paid at a rate of 105% - 112%
Paid Holidays	11 – 13 days per year – Includes all standard holidays
Floater Days	1 – 3 days per year
Vacation	Scaled – Most commonly starts at 2 weeks after 1 year with an additional week at approximately 3, 9, 17, and 25 years
Medical	Medical coverage is robust offering semi-private, private and prescription coverage, some form of vision and hearing aid assistance, along with some support for other professional services such as chiropractor, osteopath, podiatrist, massage therapist, naturopath, etc. See table below for low to high ranges.
Dental	Dental coverage is also robust covering most basic dental procedures with some plans providing additional coverage for major procedures and orthodontics

Life / AD&D	Typically, some form of life insurance and/or AD&D coverage is provided. Generally, 1.5 – 2 times base salary
Sick Days	In general, most employees accrue 1 – 1.5 days / month
ST – LT Disability	ST typically covers 100% for up to 3 months, LT covers 66 2/3 with a monthly maximum between $3,000 and $8,000
Pension	In addition to CPP, participation in OMERS is typically offered, employee contributions are matched by employer on a 1:1 basis
Bereavement	Typically, 1 – 5 days, depending on relationship to the deceased
Jury Duty	Typically, full pay less amount received from Jury Service
Meal Allowance	Typically, $16 / meal when applicable
Tools	Typically supplied by the LDC
Clothing	Typically, $288 per year for safety shoes, LDC typically supplies safety equipment and clothing or an allowance in lieu of clothing

Notes: A few of the CHEC LDCs have also indicated that they provide some assistance in other areas such as payment of professional association fees (i.e.: Trade License, OACETT), educational assistance, and payment of certain classes of driver's licenses. These benefits are not consistent among the group.

Medical	Low	Median	High
Naturopath / year	300	500	850
Chiropractic / year	300	550	850
Massage / year	300	600	850
Physiotherapist / year	500	600	5,000
Custom Orthotics / year	133	350	600
Hearing Aids / 5 years	300	500	2,500
Vision / 2 years (not incl. eye exam)	350	450	550

Annual Increase in Salary:

The annual salary increase for all union positions was tracked and was estimated to be approximately 2.1% for 2019.

Analysis (Pension):

The respondents were asked to indicate how early retirees are compensated among the LDC's. The compensation packages are comprised of diverse elements. The following summary provides an overview of the common compensation elements for early retires among the CHEC group.

Benefits:

Other post-employment benefits (OPEBs) refer to the benefits, other than pensions, that an individual employee receives as part of his or her package of retirement benefits. Typically, retiree life insurance is the most significant OPEB offering, though other benefits such as medical and dental benefits are also covered under this umbrella term.

Description	Benefit
Early Retires	Typically covers the employee between the ages of 55 - 65
Pension Plan	OMERS
Other Post-Employment Benefits:	
Medical	Medical (Extended Health) coverage can be extended from retirement to the age of 65, employee typically pays 50% of the premium cost to age 65
Dental	Dental coverage can be extended from early retirement to the age of 65, employee typically pays 50% of the premium cost to age 65
AD&D	Not typically offered as a post retirement benefit
Life Insurance	Typically offered at a reduced rate of 50% of salary at retirement
Costs	Current OPEBs costs are estimated to be $6,500, per retiree, per year

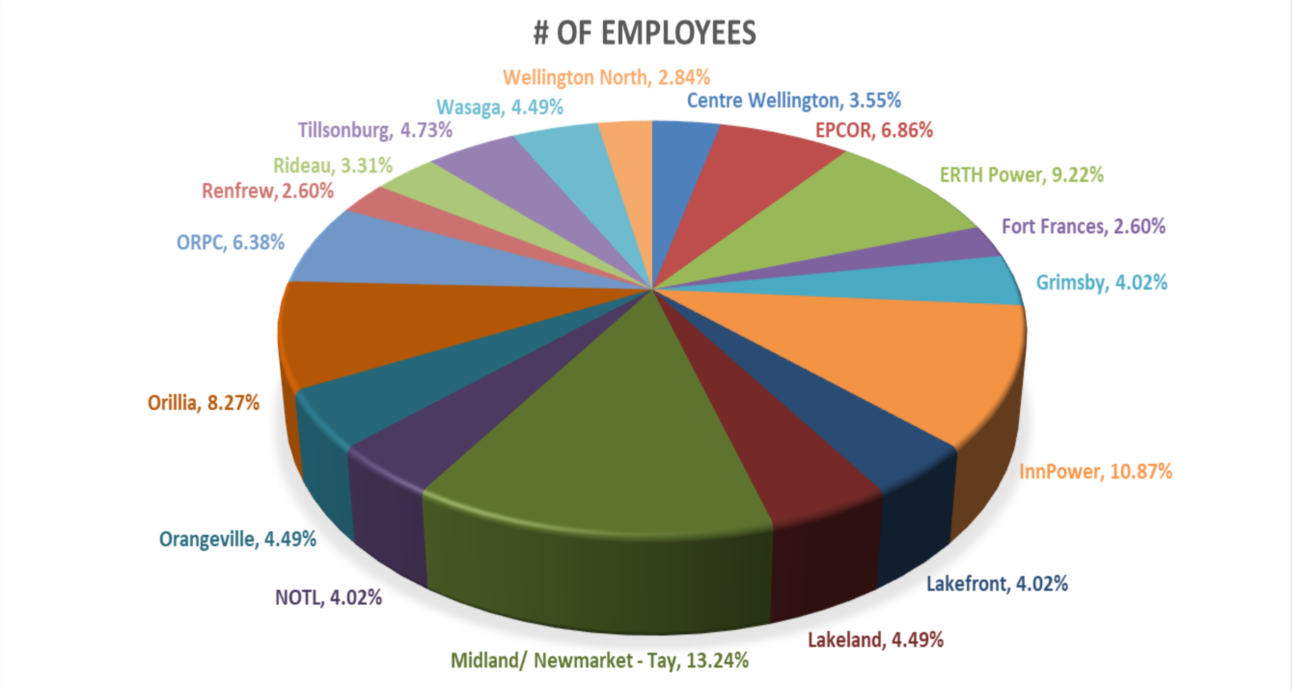
Other Post-Retirement Benefits are intended to bridge the gap between early retirement and the individual reaching the age of 65. After the age of 65, it is typically expected that various federal and provincial programs will replace OPEBs.

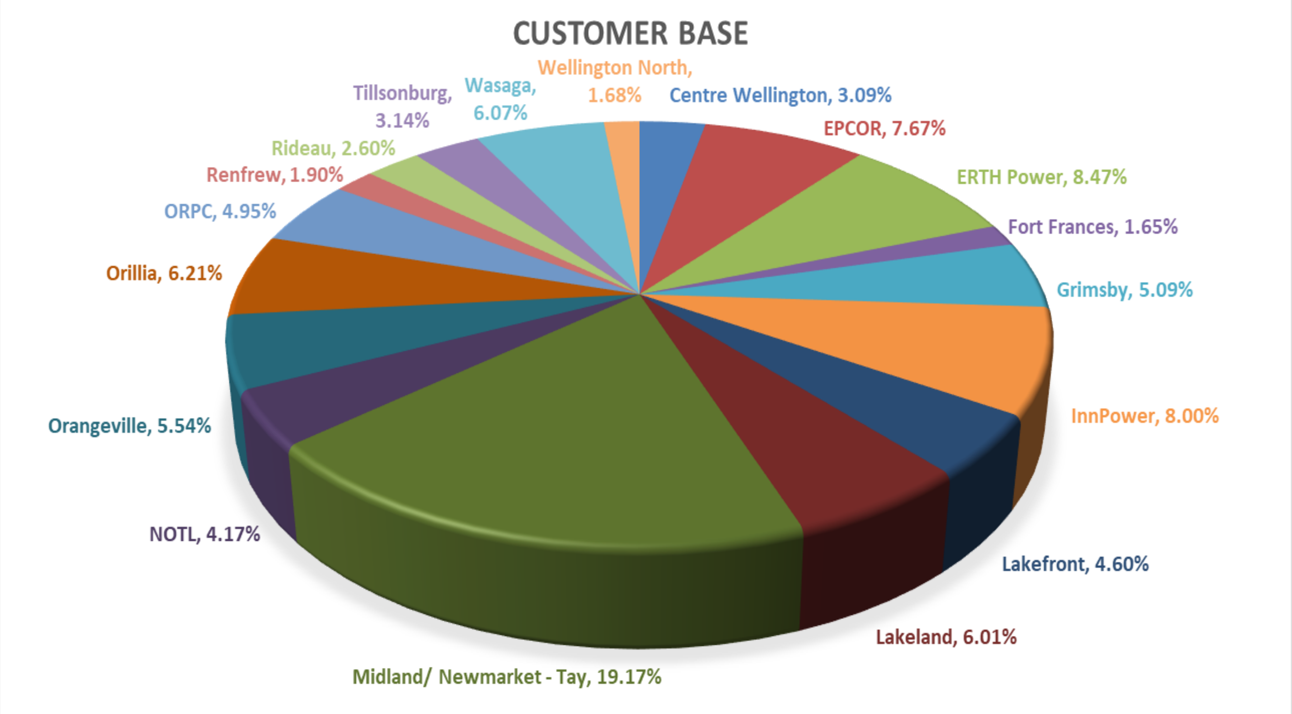
LDC Demographics:

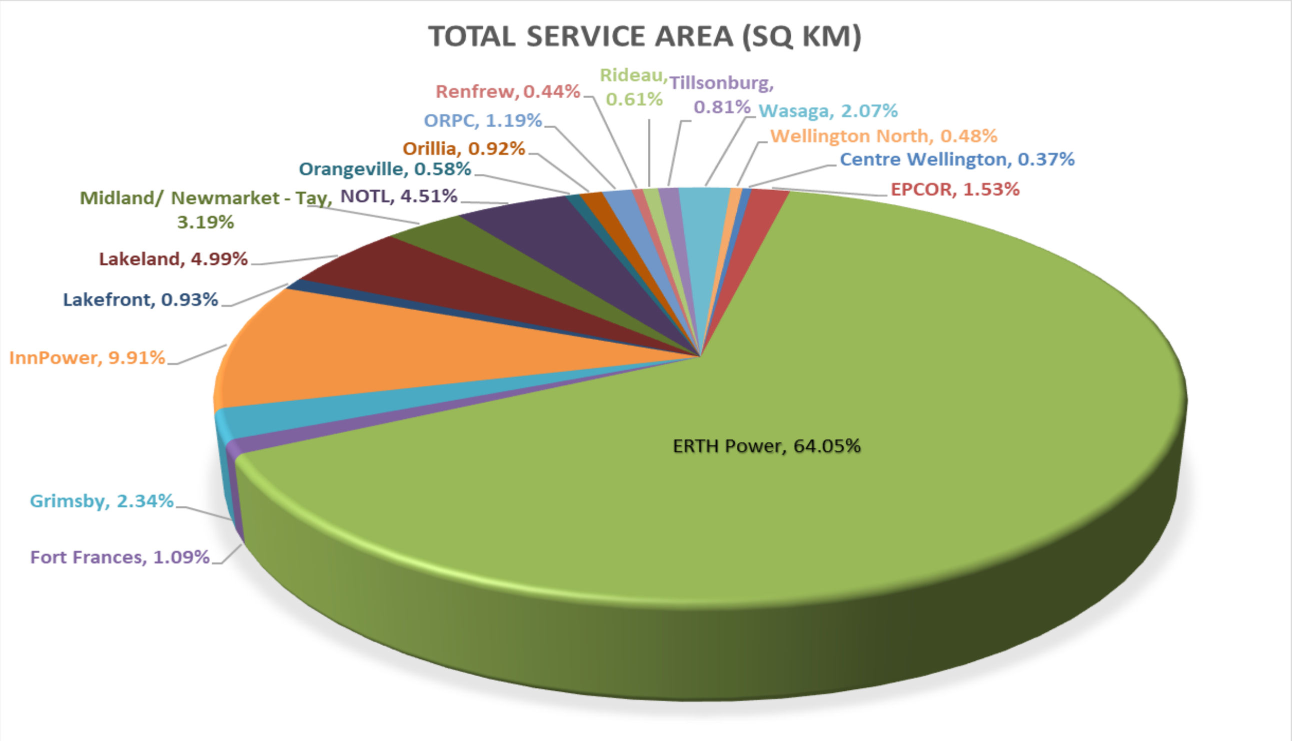
The following is a brief comparison of demographics among the CHEC group. These demographics are provided so a basis comparison can be drawn between the number of employees in an LDC, the LDCs customer base, and the service area that those employees serve.

Utility	Employees (FTE)		Number of Customers		Service Area (Sq. km)	
Centre Wellington	15	3.55%	7,022	3.09%	11	0.37%
EPCOR	29	6.86%	17,408	7.67%	45	1.53%
ERTH Power	39	9.22%	19,238	8.47%	1,887	64.05%
Fort Frances	11	2.60%	3,745	1.65%	32	1.09%
Grimsby	17	4.02%	11,551	5.09%	69	2.34%
InnPower	46	10.87%	18,163	8.00%	292	9.91%
Lakefront	17	4.02%	10,450	4.60%	28	0.93%
Lakeland	19	4.49%	13,644	6.01%	147	4.99%

Midland/Newmarket-Tay	56	13.24%	43,524	19.17%	94	3.19%
Niagara-on-the-Lake	17	4.02%	9,461	4.17%	133	4.51%
Orangeville	19	4.49%	12,583	5.54%	17	0.58%
Orillia	35	8.27%	14,091	6.21%	27	0.92%
Ottawa River	27	6.38%	11,247	4.95%	35	1.19%
Renfrew	11	2.60%	4,312	1.90%	13	0.44%
Rideau	14	3.31%	5,909	2.60%	18	0.61%
Tillsonburg	20	4.73%	7,123	3.14%	24	0.81%
Wasaga	19	4.49%	13,789	6.07%	61	2.07%
Wellington North	12	2.84%	3,805	1.68%	14	0.48%
Total	**423**		**227,065**		**2,946**	
*The above information is from the 2018 OEB Yearbook and is as of December 31, 2018						




CUSTOMER BASE
Wellington North, 1.68%
Centre Wellington, 3.09%
EPCOR, 7.67%
ERTH Power, 8.47%
Fort Frances, 1.65%
Grimsby, 5.09%
InnPower, 8.00%
Lakefront, 4.60%
Lakeland, 6.01%
Midland/ Newmarket - Tay, 19.17%
NOTL, 4.17%
Orangeville, 5.54%
Orillia, 6.21%
ORPC, 4.95%
Renfrew, 1.90%
Rideau, 2.60%
Tillsonburg, 3.14%
Wasaga, 6.07%


TOTAL SERVICE AREA (SQ KM)
Renfrew, 0.44%
Rideau, 0.61%
Tillsonburg, 0.81%
Wasaga, 2.07%
ORPC, 1.19%
Wellington North, 0.48%
Orillia, 0.92%
Centre Wellington, 0.37%
Orangeville, 0.58%
EPCOR, 1.53%
Midland/ Newmarket - Tay, 3.19%
NOTL, 4.51%
Lakeland, 4.99%
Lakefront, 0.93%
InnPower, 9.91%
ERTH Power, 64.05%
Grimsby, 2.34%
Fort Frances, 1.09%

Conclusions:

As mentioned in the 2018 Wage & Benefit analysis, human resources (HR) issues commonly experienced by employers included leveraging digital technologies, managing a multigenerational workforce, employee wellness, company culture, and employee Feedback. While these issues are still valid today, when looking specifically at the utility industry, a more imminent threat is competition from the larger utilities (i.e. Alectra and Hydro One). The above wage and benefit analysis show that CHEC member LDCs are currently competitive among the group; however, larger utilities can generally offer more and often end up attracting staff from the smaller utilities.

CHEC members need to be mindful of how the larger competitors are compensating their employees so that they can remain competitive in the market, attract talent, and retain their skilled and knowledgeable staff. Therefore, later this year, CHEC will be releasing part two of the wage and benefit analysis to encompass a comprehensive analysis of the other LDC union packages (i.e. wages, benefits, etc.) to enhance the overall value of the above information, and provide a comparative basis to the entire Ontario utility sector.

LDCs must bridge the gap between the utility industry standards and their salary packages. They cannot provide compensation packages that are either less than the industry standards or are higher than current market rates.

Appendices (Position Descriptions):

The position descriptions are currently under review. We are working with the Finance Steering Committee to determine if these are relevant and required going forward. Once updated, we will be posting to the member portal so all will have access

APPENDIX 4D PURCHASING & POLICY AGREEMENT

Wellington North Power Inc.
Policy & Procedures

<table>
<tr><td colspan="3">3120 Purchasing & Procurement Policy</td></tr>
<tr><td colspan="2">Chief Administrative Officer:
Signature: Richard Bucknall</td><td>Chief Operating Officer:
Signature:</td></tr>
<tr><td>Date: October 6, 2017</td><td>Revision#: 0</td><td>Page 1 of 7</td></tr>
</table>

1 PURPOSE:

1.1. To delegate the appropriate level of authority (Delegation of Authority – DoA) to enable all employees at Wellington North Power Inc. to perform their day-to-day activities and meet expenditure requirements;

1.2. Unless otherwise approved by the company's Board of Directors, to purchase goods and services only as approved in the annual budgets;

2 SCOPE:

2.1 This policy is applicable to all employees of Wellington North Power.

2.2 To ensure that employees who are responsible for requisitioning and purchasing goods and services are accountable for their actions and decisions;

2.3 To promote the most cost effective and efficient use of company funds and resources by acquiring the goods and services at the optimum quality, quantity, price, delivery and performance;

2.4 Wellington North Power Inc.'s employees will appreciate that they are utilizing the public's (rate-payer's) money and will be held to the highest possible standard when making purchasing decisions;

2.5 To participate with other local distribution companies (LDCs) in cooperative / collaborative purchasing activities where they are in the best interest of the company (see CHEC Mutual and Assistance Plan);

2.6 To always think about the "total acquisition cost" rather than the lowest bid. This includes, but is not limited to such factors as repairs, staff training, suitability, compatibility, warranty, trade-in values, recycling and disposal concerns. To consider "value for money".

3 DEFINITIONS:

Intentionally Left Blank

4 APPLICABLE REGULATIONS:

Intentionally Left Blank

5 APPROVAL LEVELS:

5.1 All purchases of goods and services must be approved by the Board of Directors of Wellington North Power Inc. as presented in the annual Operating (OpEx) and Capital Investment (CapEx) budgets.

5.2 Formal Board of Director's approval of the annual OpEx and CapEx budgets constitutes financial approval to proceed with the procurement process.

5.3 Budget amendments, capital expenditures not yet approved in the budget or special expenditures must be supported by a Resolution signed by two (2) Board of Directors. The Resolution shall specify the purpose of the expenditure and the funding source.

The ability to incur the actual expenditure is delegated to the appropriate Department Head based on the following approval levels:

Amount *(including taxes)*	**Delegation of Authority**
Up to $100,000	Chief Operating Officer (COO) or Chief Administrative Officer (CAO) of the company
Over $100,000	Board Directors

5.4 Between the last regular Board of Directors' meeting in any year and the adoption of budgets for the next year, the Chief Administrative Officer is authorized to pay the accounts of any ordinary business transaction of Wellington North Power Inc. that are required to maintain services. This shall include accounts or the payment of previously approved capital items and projects.

6 POLICY:

6.1 The following are authorized procedures for the procurement of goods and services.

Procedure	Project Cost	Authority
Petty Cash	$100 or less	All employees
Purchasing Card / Direct Purchase	$2,000 or less	Employees with a company credit card with prior approval from COO or CAO
Informal Quotation Process	$2,000 to $19,9999	COO or CAO
Request for Proposal (when deemed appropriate)(Written)	$20,000 or greater	COO or CAO with Resolution from Board Directors
Request for Quotation Process (Written)	$20,000 to $74,999	COO or CAO
Request for Tender (Written)	$75,000 or greater	COO or CAO with Resolution from Board Directors

The dollar limits above refer to invoice cost inclusive of applicable taxes.

6.2 Departments shall be responsible for appropriately forecasting their requirements for materials, goods and services in the preparation of their departmental budgets.

6.3 No requisition, purchase or contract shall be divided in order to avoid the requirements of the dollar value limits of this section.

7 GENERAL PURCHASING PROCEDURES:

7.1 Petty Cash – $100 or Less

A petty cash fund will be maintained in the Finance Department to meet the requirements of acquisitions of goods and services having a value of $100 or less.

Petty cash should only be used when it is not feasible to use a purchasing card.

Petty cash purchases shall be made from the competitive marketplace where practical.

All petty cash disbursements shall be evidenced by a receipt and Petty Cash Summary Slips. The slips must accompany the receipt in order to replenish the fund.

7.2 Purchasing Card or Direct Purchase – $2,000 or less

Purchases not exceeding $2,000 may be made using a purchasing card or direct purchase.

The Purchasing Card or Direct Purchase Process is a method of making small dollar purchases. The process still adheres to the General Purchasing Procedures as outlined and should expedite the acquisition of goods and services.

The acquisition of goods and/or services having a value of up to $2,000.00 per transaction, including taxes, shall be carried out by an employee with a company (Wellington North Power Inc.) credit card with prior approval from the COO or CAO.

7.3 Informal Quotation Process – $2,000 to $19,999

Purchases with an estimated value greater than $2,000 but less than $20,000 shall be obtained using a competitive process.

The COO or CAO must solicit a minimum of two (2) quotes without formal advertising or receipt of sealed bids. The requirements of the competitive process may only be waived under the authority of a Committee (e.g. Operations Committee or Finance Committee). In this case, the competitive process will be replaced by the negotiated method.

7.4 Request for Proposal (Written) – $20,000 or Greater

A request for Proposal should be issued where one or more of the criteria for issuing a Request for Tender cannot be met, such as:

I. Owing to the nature of the requirements, suppliers are invited to propose a solution to a problem, requirement or objective and the selection of the supplier is based on the effectiveness of the proposed solution rather than on price alone or,
II. It is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirement.

In general the Request for Proposal process encourages different solutions from vendors and actively searches for better and more creative ideas for supply of goods and services. It provides a process whereby the negotiation and award is based on demonstrated competence, qualifications and the technical merits of the Proposal at a fair price.

The COO or CAO shall prepare a Request for Proposal document which provides prospective bidders with a general requirement or overview of the problem.

The COO or CAO shall prepare a report to be reviewed at a Committee meeting (e.g. Operations Committee or Finance Committee - where the COO or CAO deems it appropriate) and shall make a Recommendation to accept one of the proposals. If approved at the Committee Meeting, then it is taken to the Board Meeting for review and passing a Resolution.

7.5 Request for Quotation (Written) –$20,000 to $74,999

Purchases with an estimated value of $20,000 but less than $75,000 shall be obtained using a competitive process.

The COO or CAO shall prepare a Quotation document which provides prospective bidders with clear instructions, specifications, terms and conditions.

The Quotation document shall clearly indicate the final time and place for the receipt of quotations. The quotations will be received and opened by the appropriate COO or CAO. There will be no requirement for a formal opening of the quotations.

The COO or CAO shall prepare a report to be reviewed at a Committee meeting (e.g. Operations Committee or Finance Committee - where the COO or CAO deems it appropriate) and shall make a Recommendation to accept one of the quotations. If approved at the Committee Meeting, then it is taken to the Board Meeting for review and passing a Resolution.

7.6 Request for Tender (Written) – $75,000 or Greater

The acquisition of all goods and/or services having an estimated value of $75,000 or greater, shall be obtained using a Request for Tender process and may require vendor pre-qualification.

The tender documents will be received, opened and a summary presented at a Committee meeting (e.g. Operations Committee or Finance Committee - where the COO or CAO deems it appropriate) with a Recommendation being taken to the Board of Directors meeting.

Tender criteria:

I. Two or more sources are considered capable of supplying the requirements;
II. The requirement is adequately defined to permit the evaluation of tenders against clearly stated criteria; and
III. The market conditions are such that tenders can be submitted on a common pricing basis.

8 EMERGENCY PURCHASES:

8.1 Where a situation arises requiring the immediate procurement of goods and services essential to prevent serious delays in the work of any Department (Operations, Customer Service or Finance) or which might involve danger to life, health or safety of employees, or the public, or to prevent damage to property, the COO or CAO may purchase the required goods or services up to $100,000 notwithstanding any other provision of this policy.

8.2 COO or CAO shall notify the Board of Directors with a written report detailing the circumstances at the next regular Board meeting.

9 CONFLICTS OF INTEREST:

9.1 No requisition, vouchers, petty cash funds or any other order, written or verbal, shall be issued for personal goods and/or services for employees of the Company, any member of Board, or the public.

9.2 No purchase of goods or services shall be made from any employee of Wellington North Power Inc., or from any company in which an employee of Wellington North Power Inc. has an interest. A contract for goods and services placed with a relative of an employee of the of Wellington North Power Inc. shall be declared and that employee shall not be placed in a position to supervise or approve the execution of that contract

9.3 No employee or elected official shall purchase surplus assets except by bidding on the same at public auction or by sealed bid.

10 LOCAL PREFERENCE:

10.1 In accordance with the Discriminatory Business Practices Act, Revised Statutes of Ontario, 1990, Chapter D.12 there shall be no local preference for purchases.

10.2 **All else being equal**, preference will be given to purchase goods and/or services firstly from Township of Wellington North or Township of Southgate based businesses, secondly from businesses located in the County of Wellington or Grey County, and thirdly from Canadian owned businesses.

11 EXEMPTIONS

11.1 The Procurement Policy establishes the purchasing policies and practices applying to the purchase of all types of goods and services with the exception of the following:

a) The borrowing and investing of money;
b) Rental, lease, purchase and sale of property, land or accommodation;
c) The admission or registration for conferences, conventions, courses, workshops and seminars;
d) Memberships in professional and vocational associations and their publications;
e) Utilities including hydro, gas, basic telephone, postage;
f) Employee benefits;
g) Insurance;
h) The hiring of contract employees;
i) Information technology-desktop computers, laptop computers, servers and associated software;
j) Licenses, certificates and other approvals required; and
k) Strategic Decisions affecting the corporate direction, scale, scope, size and/or running of the company – these would be discussed at the monthly Board of Directors meeting.

11.2 All the above are exempted from the procurement policy, those purchases do not require quotes or bids to be submitted.

12 METHOD OF PAYMENT

12.1 The chart below indicates the method of payment and approval requirements for these types of expenditures.

Activity	Approvals and Requirements
Training education and staff development • Conferences, courses, seminars, including related travel expenses etc.	Conference Registration not to exceed $1000.00 per employee/director without COO or CAO approval. Expense Claim Form to be submitted along with registration form.
Memberships, subscriptions, publications	No approval required provided that expenditure is related to Company business. Invoice to be submitted to COO or CAO for approval.

Activity	Approvals and Requirements
Licenses and Regulatory Fees	Approval is not required. Invoice to be initialed by COO or CAO.
Advertising Services Newspaper, radio	Approval is not required. Invoice to be initialed by COO or CAO.
Bailiff or Collection agencies	Approval is not required. Invoice to be initialed by COO or CAO.
Employee deduction remittances	No approval required.
Utility payments • Gas, hydro, phone	Finance department is authorized to submit payment without director approval. A listing is supplied to the Directors of all pre-payments with the Accounts Payable Listing presented at the monthly Board of Directors meeting
Information technology	Every effort will be made to ensure a competitive process is followed but given the complex nature of these items and the need to maintain compatibility with our existing network, exemptions may need to be given on a case by case basis

12.2 The COO or CAO in consultation with Directors will determine the most appropriate procedures related to engaging consulting engineers, counseling services, instructors, planners, solicitors, arbitrators and auditors.

13 AUTHORIZATION

13.1 Subject to statutory requirements and except as herein provided, no Committee established by Wellington North Power Inc., no Board of Director and no employee of the Company shall enter into any contract on behalf of the Wellington North Power Inc. without express authority from either the Chief Operating Officer (COO) or the Chief Administrative Officer (CAO).

14 GENERAL

14.1 It is the responsibility of all employees and Directors of Wellington North Power Inc. to adhere to this policy.

14.2 Resolutions approving budget amendments or capital expenditures not originally approved in the budget; shall contain the purpose of the expenditure, cost estimate and the fund/account (reserve or otherwise) where the monies are to be appropriated from.

APPENDIX 4E DEPRECIATION & CAPITALIZATION POLICY

Wellington North Power Inc.
Policy & Procedures

3510 Capitalization Policy		
Date: January 7, 2019	Revision#: 5	Page **1** of **5**

1 PURPOSE:

1.1. The purpose of this policy is to describe the specific criteria used to determine if expenditures should either be capitalized on the Balance Sheet or expensed to Operations or Administration general ledger accounts in the period incurred.

2 SCOPE:

2.1 This policy applies to:

a) Assets including property, land, equipment, materials, inventory, computer hardware, computer software, computer licences; and

b) Third-party reports and/or supporting studies as purchased by Wellington North Power Inc.

2.2 This policy applies to the treatment of labour costs and contractor costs associated with the installation and/or testing of assets / equipment.

2.3 This policy applies to the treatment of truck costs associated with the installation of assets / equipment.

2.4 This policy applies to employees involved in the activities of purchasing assets, recording of capital equipment transactions and maintaining capital asset general ledger accounts as well as Management at Wellington North Power Inc.

3 DEFINITIONS:

3.1	**Tangible Assets**:	Property, plant and equipment are identified as tangible assets provided they are held for use in the production or supply of goods and services, are intended for the continuing use, and are not intended for sale in the ordinary course of business.
3.2	**Intangible Assets:**	An intangible asset is a right or non-physical resource that provides a benefit or advantage to the company**.**
3.3	**Goodwill:**	An asset acquired for the cost over and above the net amount of the acquired asset value and assumed liability, the excess cost is considered goodwill**.**

3.4 **Capital Assets:** Capital assets include tangible and intangible assets, exclusive of goodwill.

3.5 **Betterment:** Betterment is a cost that is incurred to enhance the service potential of a capital asset. Expenditures for betterments are capitalized. This enhancement in service potential can include an increase in the physical output or service capacity, decrease in associated operation costs, extension in the useful life of the asset, or improvement in the quality of the asset's output.

3.6 **Repair:** A repair is a cost incurred to maintain the existing service potential of a capital asset. Expenditures for repairs are expensed in the period in which they occur.

3.7 **Development:** The development of an asset includes work to prepare an asset for further capital work and would typically include development of a piece of land for construction of a Substation or other distribution plant.

If the associated project is not completed with an asset put into service, these costs are expensed.

3.8 **Materiality:** All expenditures for capital assets and betterments will be capitalized subject to materiality limits as set out in this policy. At times the administrative cost of capitalizing an asset may outweigh the intended benefits.

While an expenditure may meet the definition to qualify as a capital asset, a dollar level is also set, known as a "Materiality Limit". Should the expenditure fall below this limit, then it is not capitalized.

3.9 **Materiality Limit**: For assets, the materiality value for capitalization of new assets or addition to existing assets will be a minimum of $500.00 (before tax) for both distribution plant and general plant. The asset is assigned a unique property number and recorded in the company's asset module.

Where programs are established for ongoing betterment work, the minimum "Material Limit" will not be applicable.

3.10 **Readily Identifiable Assets (Discrete):** A discrete capital asset has a cost over $500.00 (before tax) and is identifiable in the company's asset management module to ensure individual tracking and record keeping.

3.11 **IFRS:** International Financial Reporting Standards (IFRS) is set of accounting standards developed by an independent, not-for-profit organization called the International Accounting Standards Board (IASB).

The objective of IFRS is to develop a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles and to promote the use and rigorous application of those standards.

3.12 **Amortization:** As of January 1, 2012 Wellington North Power Inc. adopted the "Typical Useful Life (TUL)" depreciation rates set out in the Kinectrics Inc. Report No: K-418033-RA-001-R000 prepared for the Ontario Energy Board July 8, 2010.

3.13 **Capitalization Costs:** Cost is the dollar amount to acquire, construct, develop or better a capital asset. Costs include all expenditures necessary to put a capital asset into service, including all overhead costs that are eligible under this policy and an "Allowance for Funds Used During Construction" (AFUDC) if applicable.

Overhead costs must be directly attributable to capital construction activity at Wellington North Power Inc. This is interpreted to mean that the overhead costs to be charged to capital are those that would not exist if the company did not construct its own capital asset.

Overhead burdens that are capitalized include salary and benefits, directly attributable to construction and engineering personnel only, by payroll allocation for capital projects.

3.14 **Capital Related Overhead Expenses:** As per Cost Allocation Procedure form managed and maintained by Finance.

3.15 **Capital Stand-by/ Spare Equipment:** Transformers and meters when received from the supplier will be accounted for as inventory. As referenced in Article 410 of the Accounting Procedures Handbook for Electricity Distributors, at the fiscal year-end these assets will be moved to the capital accounts as stand-by equipment, as they form an integral part of the reliability program for the distribution system.

No depreciation will be applied until the assets are in service and fully operational as intended by Wellington North Power Inc.

3.16 **Allowance For Funds Used During Construction:** For projects with construction duration of greater than twelve (12) months, a financing charge may be applied against the project and capitalized. The financing charge will be the Deemed rate set by the Ontario Energy Board (OEB) for Construction Work-in-Progress (C.W.I.P.).

3.17 **Deferred Revenue (*Contributed Capital*):** Certain assets may be acquired or constructed with financial assistance in the form of customer contributions. Under IFRS accounting standards, customer contributions are treated as "Deferred Revenue". This is treated as a liability on the company's balance sheet and is allocated to "Other Income" over the life of the assets purchased.

4 APPLICABLE REGULATIONS / COMPLIANCE:

4.1 International Financial Reporting Standards (IFRS) requirements (2015) and any subsequent revisions approved by the International Accounting Standards Boards.

4.2 Practices as defined by the Canadian Institute of Chartered Accountants (CICA) Handbook.

4.3 Amendments and revisions to the "Typical Useful Life" (TUL) report for distribution equipment and general plant equipment as managed by the energy regulator, the OEB.

4.4 The Ontario Energy Board (OEB) "Accounting Procedures Handbook for Electricity Distributors", effective January 1, 2012 and subsequent revisions.

4.5 The Ontario Energy Board (OEB) Electricity Distribution Rate Handbook (2006) and subsequent revisions.

4.6 Conditions and amendments as applied by Wellington North Power Inc.'s external financial auditor.

5 RESPONSIBILITIES:

5.1 It is the responsibility of employees involved in the activities of purchasing assets, recording of capital equipment transactions and maintaining capital asset general ledger accounts to adhere to this policy.

5.2 It is the CEO/President's responsibility or the Manger of Finance's responsibility to ensure this policy is understood.

6 PROCEDURES:

6.1 Expenditures are capitalized in accordance with the International Financial Reporting Standards (IFRS) as adopted in Canada by Rate Regulated Entities, such as Wellington North Power Inc.

6.2 Capital assets are expected to provide future economic benefits for more than one year.

6.3 Any expenditure that can be identified as directly attributable with the acquisition, construction, development or betterment of an asset should be capitalized and amortized over the useful life of the asset.

6.4 All expenditures for capital assets and betterments will be capitalized subject to a "**Materiality Limit**" – a set dollar value. For assets, the Materiality Value for capitalization of new assets or addition to existing assets will be **$500.00** (*before tax*) for both distribution plant and general plant.

Should the expenditure fall below this limit, then it shall not be capitalized.

6.5 Where capital projects are established for ongoing betterment work, the minimum "Material Limit" will not be applicable.

6.6 For construction projects and asset replacement, the CEO/President will create Capital Jobs in Wellington North Power Inc.'s financial system for asset purchases to be recorded.

6.7 For General Plant equipment (e.g. computer hardware / software) the CEO/President or Manger of Finance will inform Finance to create Capital Jobs in Wellington North Power Inc.'s financial system for asset purchases to be recorded.

6.8 A Capital Job will be created for each project for all materials, labour, truck-time and contractor costs to be recorded and maintained.

6.9 Invoices relating to the purchase of capital assets shall be reviewed and approved by the CEO/President or Manager of Finance in accordance with this policy.

6.10 Finance is responsible for maintaining the company's financial system and asset module.

6.11 Finance is responsible for ensuring the asset module in the financial systems aligns with year-end audited financial statements.

6.12 Finance is responsible for providing Capital Expenditure reporting to Management.

APPENDIX 4F INCOME TAX & PILS WORKFORM

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Version 1.20

Utility Name	Wellington North Power Inc.
Assigned EB Number	EB-2020-0061
Name and Title	Richard Bucknall, Regulatory Manager
Phone Number	519-323-1710
Email Address	rbucknall@wellingtonnorthpower.com
Date	30-Sep-20
Last COS Re-based Year	**2016**

Note: Drop-down lists are shaded blue; Input cells are shaded green.

This Workbook Model is protected by copyright and is being made available to you solely for the purpose of filing your rate application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing the application or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.

While this model has been provided in Excel format and is required to be filed with the applications, the onus remains on the applicant to ensure the accuracy of the data and the results.

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	**-419,241**
Test Year - Payments in Lieu of Taxes (PILs)	T0	**-**
Test Year - Grossed-up PILs	T0	**-**
Effective Federal Tax Rate	T0	**0.0%**
Effective Ontario Tax Rate	T0	**0.0%**

Calculation of Adjustments required to arrive at Taxable Income

Regulatory Income (before income taxes)	T1	419,241	
Taxable Income	T1	0	
Difference	calculated	-419,241	as above

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

		Test Year	Bridge Year
Rate Base	S	**$ 12,301,661**	**$ 10,468,751**

Return on Ratebase

Deemed ShortTerm Debt %	4.00%	T	$ 492,066	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$ 6,888,930	*X = S * U*	
Deemed Equity %	40.00%	V	$ 4,920,665	*Y = S * V*	
Short Term Interest Rate	2.75%	Z	$ 13,532	*AC = W * Z*	
Long Term Interest	3.87%	AA	$ 266,395	*AD = X * AA*	
Return on Equity (Regulatory Income)	8.52%	AB	**$ 419,241**	*AE = Y * AB*	T1
Return on Rate Base			**$ 699,167**	*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	No	No
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

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	-$ 128,324	**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					**-$ 34,006**	**E = A * D**
Investment Tax Credits					$ 4,000	**F**
Miscellaneous Tax Credits						**G**
Total Tax Credits					**$ 4,000**	**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)	314,614		314,614
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	521,427		521,427
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	41,692		41,692
Charitable donations and gifts from Schedule 2	112	3,270		3,270
Taxable capital gains from Schedule 6	113			0
Political contributions	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	528		528
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	178,948		178,948
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))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
Provision for Income Taxes - current		44,050		44,050

Inducement under 12(1)(x) ITA		6,288		6,288
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**796,203**	**0**	**796,203**
Deductions:				
Gain on disposal of assets per financial statements	401			0
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403	956,272		956,272
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	175,425		175,425
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions				
Interest capitalized for accounting deducted for tax	395			0
Capital Lease Payments	395			0
Non-taxable imputed interest income on deferral and variance accounts	395			0
	395			0
	395			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Payroll burden capitalized for Accounting, expensed for tax		26,638		26,638
Amortization of deferred captial contributions		2,309		2,309
Regulatory amortization taken through Sch 8		33,551		33,551
Tax Recovery included in regulatory movement		44,946		44,946
				0
				0
				0
				0
Total Deductions		**1,239,141**	**0**	**1,239,141**
Net Income for Tax Purposes		**-128,324**	**0**	**-128,324**
Charitable donations from Schedule 2	311			0
Taxable dividends received under section 112 or 113	320			0
Non-capital losses of previous tax years from Schedule 4	331			0
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		**-128,324**	**0**	**-128,324**

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	88,370		88,370	B4

Net Capital Loss Carry Forward Deduction	**Total**	**Non-Distribution Portion**	**Utility Balance**	
Actual Historical			0	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
1	Buildings, Distribution System (acq'd post 1987)	$ 214,763		$ 214,763
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	$ 2,498,962		$ 2,498,962
2	Distribution System (acq'd pre 1988)			$ -
3	Buildings (acq'd pre 1988)			$ -
6	Certain Buildings; Fences			$ -
8	General Office Equipment, Furniture, Fixtures	$ 394,109		$ 394,109
10	Motor Vehicles, Fleet	$ 71,655		$ 71,655
10.1	Certain Automobiles			$ -
12	Computer Application Software (Non-Systems)			$ -
13_{1}	Lease # 1			$ -
13_{2}	Lease # 2			$ -
13_{3}	Lease # 3			$ -
13_{4}	Lease # 4			$ -
14	Limited Period Patents, Franchises, Concessions or Licences			$ -
14.1	Eligible Capital Property (acq'd pre 2017)			$ -
14.1	Eligible Capital Property (acq'd post 2016)			$ -
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage			$ -
42	Fibre Optic Cable			$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	$ 624		$ 624
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			$ -
47	Distribution System (acq'd post Feb 22/05)	$ 6,355,329		$ 6,355,329
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	$ 45,730		$ 45,730
95	CWIP			$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
	SUB-TOTAL - UCC	9,581,172	0	9,581,172

Ontario Energy Board

Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	**0**	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance	178,948		178,948
-Short & Long-term Disability			0
-Accmulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
Total	**178,948**	**0**	**178,948**

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

PILS Tax Provision - Bridge Year

	Reference	Wires Only	
Regulatory Taxable Income	B1	-$ 237,138	**A**

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	4.0%	-$ 9,434	4.0%	**B**
Federal (Max 15%)	15.0%	9.6%	-$ 22,676	9.6%	**C**

Combined effective tax rate (Max 26.5%)	13.54%	**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 2021 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	**(A + 101 + 102)**		320,000
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		430,563
Amortization of intangible assets	106		73,027
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		25,000
Charitable donations and gifts from Schedule 2	112		3,350
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		1,000
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	213,305
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		
Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		

Adjusted Taxable Income - Bridge Year

ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			20,000
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**766,245**
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	1,118,435
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	178,948
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)			
Payroll burden capitalized for Accounting, expensed for tax			26,000
Total Deductions		calculated	**1,323,383**
Net Income for Tax Purposes		calculated	**-237,138**
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	**-237,138**

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	88,370	
Amount to be used in Bridge Year	B1	0	
Loss Carry Forward Generated in Bridge Year (if any)	B1	237,138	
Other Adjustments			
Balance available for use post Bridge Year	calculated	325,508	T4

Net Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	0	
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	0	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	(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 bridge year (column 9 minus column 17)	Working Paper Reference
1	Buildings, Distribution System (acq'd post 1987)	H8	$ 214,763							$ 214,763	$ -	$ -	0.50	$ -	$ -	4%			$ 8,591		$ 206,172	T8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	H8	$ 2,498,962							$ 2,498,962	$ -	$ -	0.50	$ -	$ -	6%			$ 149,938		$ 2,349,024	T8
2	Distribution System (acq'd pre 1988)	H8	$ -							$ -	$ -	$ -		$ -	$ -	6%			$ -		$ -	T8
3	Buildings (acq'd pre 1988)	H8	$ -							$ -	$ -	$ -		$ -	$ -	5%			$ -		$ -	T8
6	Certain Buildings; Fences	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	10%			$ -		$ -	T8
8	General Office Equipment, Furniture, Fixtures	H8	$ 394,109	$ 15,000	$ 15,000					$ 409,109	$ -	$ 15,000	0.50	$ 7,500	$ -	20%			$ 83,322		$ 325,787	T8
10	Motor Vehicles, Fleet	H8	$ 71,655	$ 345,000	$ 345,000					$ 416,655	$ -	$ 345,000	0.50	$ 172,500	$ -	30%			$ 176,747		$ 239,909	T8
10.1	Certain Automobiles	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -	T8
12	Computer Application Software (Non-Systems)	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	100%			$ -		$ -	T8
13_1	Lease # 1	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13_2	Lease # 2	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13_3	Lease # 3	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13_4	Lease # 4	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
14	Limited Period Patents, Franchises, Concessions or Licences	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	H8	$ -							$ -	$ -	$ -		$ -	$ -	7%			$ -		$ -	T8
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	5%			$ -		$ -	T8
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	8%			$ -		$ -	T8
42	Fibre Optic Cable	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	12%			$ -		$ -	T8
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -							$ -	$ -	$ -	2.33	$ -	$ -	30%			$ -		$ -	T8
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -							$ -	$ -	$ -	1.00	$ -	$ -	50%			$ -		$ -	T8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	H8	$ 624							$ 624	$ -	$ -		$ -	$ -	45%			$ 281		$ 343	T8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -	T8
47	Distribution System (acq'd post Feb 22/05)	H8	$ 6,355,329	$ 463,000	$ 463,000	-$ 26,000			$ 25,000	$ 6,767,329	$ 25,000	$ 438,000	0.50	$ 219,000	$ -	8%			$ 558,906		$ 6,208,423	T8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	H8	$ 45,730	$ 140,000	$ 140,000					$ 185,730	$ -	$ 140,000	0.50	$ 70,000	$ -	55%			$ 140,652		$ 45,079	T8
95	CWIP	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	0%			$ -		$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
	TOTALS		$ 9,581,172	$ 963,000	$ 963,000	-$ 26,000	$ -	$ -	$ 25,000	$ 10,493,172	$ 25,000	$ 938,000		$ 469,000	$ -		$ -	$ -	$ 1,118,435	B1	$ 9,374,737	

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

						Bridge Year Adjustments					
Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Additions	Disposals	Balance for Bridge Year		Change During the Year	Disallowed Expenses
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	0		0				0	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	178,948		178,948		34,357		213,305	T13	34,357	
- 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		**178,948**	**0**	**178,948**	B1	**34,357**	**0**	**213,305**	B1	**34,357**	**0**

Ontario Energy Board

Income Tax/PILs Workform for 2021 Filers

PILs Tax Provision - Test Year

			Wires Only	
Regulatory Taxable Income		T1	$ -	**A**

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	7.0%	$ -	0.0%	**B**
Federal (Max 15%)	15.0%	11.8%	$ -	0.0%	**C**

			Wires Only		
Combined effective tax rate (Max 26.5%)			0.00%	**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 Test Year			**$ -**	**I = E - H**	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]	100.00%	**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 Workfor

Taxable Income - Test Year

	T2 S1 line #	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	419,241
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		499,418
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		71,227
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		25,000
Charitable donations	112		3,500
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		1,000
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	222,363
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))			30,000
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**852,508**
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	998,355
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	213,305
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		
Payroll burden capitalized for Accounting, expensed for tax	395		26,000
	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)			
Total Deductions		calculated	**1,237,660**
NET INCOME FOR TAX PURPOSES		calculated	**34,089**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	34,089
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	**0**

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	325,508		325,508
Amount to be used in Test Year and Price Cap Years	T1	34,089		34,089
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	34,089		34,089
Loss Carry Forward Generated in Test Year (if any)	T1	0		0
Other Adjustments				0
Balance available for use in Future Years	calculated	291,420		291,420

Net Capital Loss Carry Forward Deduction		**Total**	**Non-Distribution Portion**	**Utility Balance**
Actual/Estimated Bridge Year Carried Forward	B4	0		0
Amount to be used in Test Year and Price Cap Years				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	T1	0		0
Loss Carry Forward Generated in Test Year (if any)				0
Other Adjustments				0
Balance available for use in Future Years		0		0

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
1	**Buildings, Distribution System (acq'd post 1987)**	B8	$ 206,172				
1b	**Non-Residential Buildings [Reg. 1100(1)(a.1) election]**	B8	$ 2,349,024				
2	**Distribution System (acq'd pre 1988)**	B8	$ -				
3	**Buildings (acq'd pre 1988)**	B8	$ -				
6	**Certain Buildings; Fences**	B8	$ -				
8	**General Office Equipment, Furniture, Fixtures**	B8	$ 325,787	25,000	25,000		
10	**Motor Vehicles, Fleet**	B8	$ 239,909				
10.1	**Certain Automobiles**	B8	$ -				
12	**Computer Application Software (Non-Systems)**	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 Jan 1, 2017)**	B8	$ -				
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	$ 343				
46	**Data Network Infrastructure Equipment (acq'd post Mar 22/04)**	B8	$ -				
47	**Distribution System (acq'd post Feb 22/05)**	B8	$ 6,208,423	446,000	446,000	-26,000	
50	**General Purpose Computer Hardware & Software (acq'd post Mar 18/07)**	B8	$ 45,079	163,000	163,000		
95	**CWIP**	B8	$ -				
		B8	$ -				
		B8	$ -				
		B8	$ -				
		B8	$ -				
		B8	$ -				
		B8	$ -				
		B8	$ -				
		B8	$ -				
	TOTALS		**$ 9,374,737**	**$ 634,000**	**$ 634,000**	**-$ 26,000**	**$ -**

(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(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)
		$ 206,172	$ -	$ -	0.50	$ -	$ -	4%			$ 8,247		$ 197,926
		$ 2,349,024	$ -	$ -	0.50	$ -	$ -	6%			$ 140,941		$ 2,208,083
		$ -	$ -	$ -		$ -	$ -	6%			$ -		$ -
		$ -	$ -	$ -		$ -	$ -	5%			$ -		$ -
		$ -	$ -	$ -	0.50	$ -	$ -	10%			$ -		$ -
		$ 350,787	$ -	$ 25,000	0.50	$ 12,500	$ -	20%			$ 72,657		$ 278,130
		$ 239,909	$ -	$ -	0.50	$ -	$ -	30%			$ 71,973		$ 167,936
		$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -
		$ -	$ -	$ -	0.00	$ -	$ -	100%			$ -		$ -
		$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
		$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
		$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
		$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
		$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
		$ -	$ -	$ -		$ -	$ -	7%			$ -		$ -
		$ -	$ -	$ -	0.50	$ -	$ -	5%			$ -		$ -
		$ -	$ -	$ -	0.50	$ -	$ -	8%			$ -		$ -
		$ -	$ -	$ -	0.50	$ -	$ -	12%			$ -		$ -
		$ -	$ -	$ -	2.33	$ -	$ -	30%			$ -		$ -
		$ -	$ -	$ -	1.00	$ -	$ -	50%			$ -		$ -
		$ 343	$ -	$ -		$ -	$ -	45%			$ 154		$ 189
		$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -
	25,000	$ 6,603,423	$ 25,000	$ 421,000	0.50	$ 210,500	$ -	8%			$ 545,114		$ 6,058,309
		$ 208,079	$ -	$ 163,000	0.50	$ 81,500	$ -	55%			$ 159,268		$ 48,810
		$ -	$ -	$ -	0.00	$ -	$ -	0%			$ -		$ -
		$ -	$ -	$ -		$ -	$ -						$ -
		$ -	$ -	$ -		$ -	$ -						$ -
		$ -	$ -	$ -		$ -	$ -						$ -
		$ -	$ -	$ -		$ -	$ -						$ -
		$ -	$ -	$ -		$ -	$ -						$ -
		$ -	$ -	$ -		$ -	$ -						$ -
		$ -	$ -	$ -		$ -	$ -						$ -
		$ -	$ -	$ -		$ -	$ -						$ -
$ -	**$ 25,000**	**$ 9,957,737**	**$ 25,000**	**$ 609,000**		**$ 304,500**	**$ -**		**$ -**	**$ -**	**$ 998,355**	T1	**$ 8,959,382**

Ontario Energy Board

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	0		0				0		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	213,305		213,305		9,058		222,363		9,058	
-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		**213,305**	**0**	**213,305**	T1	**9,058**	**0**	**222,363**	T1	**9,058**	**0**

APPENDIX 4G FEDERAL TAX RETURN

KPMG LLP
Commerce Place
21 King Street West Suite 700
Hamilton, ON L8P 4W7
Canada
Tel 905-523-8200
Fax 905-523-2222
www.kpmg.ca

PRIVATE AND CONFIDENTIAL

Mr. Richard Bucknall
Wellington North Power Inc.
290 Queen St W
Mount Forest ON N0G 2L0

June 16, 2020

Dear Mr. Bucknall:

Corporate Income Tax Returns

We have enclosed the following income tax returns of Wellington North Power Inc. (the "Company") for the year ended **December 31, 2019**:

- ☑ T2 – *Corporation Income Tax Return* – EXEMPT
- ☑ T183 *Information Return For Corporations Filing Electronically* (Federal – to be e-filed with CRA) - Exempt
- ☑ T2 – *Corporation Income Tax Return* (to be filed with Ministry of Finance) – PILS
- ☑ One copy of each return for your files

We have prepared these returns based on our understanding of the information provided to us by the Company and we recommend that you review the returns to ensure that all of the relevant facts are properly disclosed. When you are satisfied that the returns are in order, one copy of each return should be retained for your records (the copy stamped "Client Copy") and the remaining copies should be completed by an authorized signing officer of the Company and filed as described below.

DUE DATE OF RETURNS AND PAYMENTS

All returns must be filed with the respective taxing authorities by the due date if late filing penalties are to be avoided. We suggest that the returns be sent by registered mail and that the mailing receipt be kept on file in order to have evidence of the date of filing.

Any balances owing must be remitted by the due date or as soon as possible if interest charges are to be minimized.

T2 – *CORPORATION INCOME TAX RETURN* (FEDERAL) CRA COPY - EXEMPT

Signature

✍ The Form T183CORP - *Information Return for Corporations Filing Electronically* should be completed and signed.

Payment

No amount is payable for the **December 31, 2019** taxation year.

Mailing

✉ One copy of the signed Form T183CORP should be returned to us in the self-addressed envelope no later than **June 30, 2020** in order to have the Company's corporate income tax return filed on or before the due date for filing. Alternatively, you can fax it to **(905) 523-2222.**

T2 – *CORPORATION INCOME TAX RETURN* - MINISTRY OF FINANCE

Signature

✍ Form T2 – *Corporate Income Tax Return*, the certification section at the bottom of page 9 should be completed and signed.

Refund

A refund of **$4,000** is claimed and therefore no amount is payable for the **December 31, 2019** taxation year.

Mailing

✉ One copy of the *T2 Corporate Income Tax Return* must be received by The Ministry of Finance, HYDRO PIL DIVISION, P.O. Box 620, 33 King Street West, Oshawa, Ontario, L1H 8E9 no later than **June 30, 2020**. The Company's account number should be recorded on each of the paper documents submitted.

NOTICES OF ASSESSMENT

If your Company receives a Notice of Assessment that does not agree with the returns prepared by us, please contact us so that we can determine whether any action should be taken. The Company has only 90 days (180 days in the case of Ontario) from the date of mailing of the Assessment in which to object. Failure to respond within the prescribed time limit will cause the Company to lose its right to object to the Assessment.

INSTALMENTS

Our calculations indicate that no instalments are required for the December 31, 2020 taxation year.

If you have any questions concerning these returns, or if we may be of any further assistance, please do not hesitate to contact us.

Yours truly,

Tony Italiano

Tony Italiano
Partner
905-523-2227

Enclosures

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 WELLINGTON NORTH POWER INC.			Business number 86688 8522 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)	-20,880
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

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, Klujber (Last name) Jim (First name) CEO (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): ______
Signature of an authorized signing officer of the corporation: ______
Telephone number: (519) 323-1710

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: G1829

Privacy statement

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

Canada Revenue Agency
Agence du revenu du Canada

T2 Corporation Income Tax Return

200

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** 86688 8522 RC0001

Corporation's name
002 WELLINGTON NORTH POWER INC.

Address of head office
Has this address changed since the last time we were notified? . . . . **010** Yes ☐ No ☒
If **yes**, complete lines 011 to 018.
011 PO BOX 359
012 290 QUEEN ST W
City **015** MOUNT FOREST
Province, territory, or state **016** ON
Country (other than Canada) **017** CA
Postal or ZIP code **018** N0G 2L0

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** Yes ☐ No ☒
If **yes**, complete lines 021 to 028.
021 c/o
022
023
City **025**
Province, territory, or state **026**
Country (other than Canada) **027**
Postal or ZIP code **028**

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . **030** Yes ☐ No ☒
If **yes**, complete lines 031 to 038.
031
032
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)
- ☒ 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 **060** Year Month Day 2019-01-01
Tax year-end **061** Year Month Day 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 ☒

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

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** Yes ☐ No ☒

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes ☐ No ☒

Is this the first year of filing after:
Incorporation? . . . . **070** Yes ☐ No ☒
Amalgamation? . . . . **071** Yes ☐ No ☒
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** Yes ☐ No ☒
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . **076** Yes ☐ No ☒

Is this the final return up to dissolution? . . . . **078** Yes ☐ No ☒

If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada? **080** Yes ☒ No ☐
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** Yes ☐ No ☒
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- ☐ 1 Exempt under paragraph 149(1)(e) or (l)
- ☐ 2 Exempt under paragraph 149(1)(j)
- ☐ 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- ☐ 4 Exempt under other paragraphs of section 149

Do not use this area
095 **096** **898**

Attachments

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

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

		Yes	Schedule
Is the corporation related to any other corporations?	**150**	☒	9
Is the corporation an associated CCPC?	**160**	☒	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**	☐	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**	☒	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**	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	**202**	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	**203**	☒	3
Is the corporation claiming any type of losses?	**204**	☒	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**	☒	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**	☐	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**	☐	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	**234**	☐	
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**	☒	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**	☐	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

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	**270**	Yes	☒	No	☐
Is the corporation inactive?	**280**	Yes	☐	No	☒

What is the corporation's main revenue-generating business activity? 913910 Other Local, Municipal and Regional Public Administration

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	ELECTRICAL ENERGY	**285**	100.000 %
286		**287**	%
288		**289**	%

Did the corporation immigrate to Canada during the tax year?	**291**	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	**292**	Yes	☐	No	☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	**293**	Yes	☐	No	☐

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**		-20,880	A
Deduct:				
Charitable donations from Schedule 2	**311**			
Cultural gifts from Schedule 2	**313**			
Ecological gifts from Schedule 2	**314**			
Gifts of medicine made before March 22, 2017, from Schedule 2	**315**			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	**320**			
Part VI.1 tax deduction*	**325**			
Non-capital losses of previous tax years from Schedule 4	**331**			
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		▶		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**		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**	500,000	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 500,000 x **415** *** 2,330 D / 11,250 = 103,556 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** **417** ________ – 50,000 = ________ F

Amount C 500,000 / 100,000 x Amount F ________ = ________ G

Subtotal (the greater of amount E and amount G) **422** 103,556 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**	396,444	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**	396,444	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) . . . . B

Total eligible dividends paid in the previous tax year (from line 300 of schedule 53) C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53) . . D
Subtotal (amount C **minus** amount D) (if negative, enter "0") ▶ E

Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0") . . . . F
GRIP transferred on an amalgamation or the wind-up of a subsidiary
(total of lines 230 and 240 of schedule 53) . . . . G
Subtotal (amount F **plus** amount G) ▶ H

Amount H **multiplied** by 38 1 / 3 % I

Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year) . . . . **520** J

Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0") **535** K

Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3) . . L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3) M
Subtotal (amount L **plus** amount M) ▶ N

Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary . . . . **525** O
ERDTOH dividend refund for the previous tax year . . . . **570** P

Refundable portion of Part I tax (from line 450 on page 6) . . . . Q

Part IV tax before deductions (amount 2A from Schedule 3) . . . . R
Part IV tax allocated to ERDTOH (amount N) . . . . S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43) . . . . T
Subtotal (amount R **minus** total of amounts S and T) ▶ U

Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary . . . . **540** V
NERDTOH dividend refund for the previous tax year . . . . **575** W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3) X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0") . . . . . . Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0") **545**
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0") . . . . Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0") **530**

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

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	22,001	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")	22,001	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	4,000
Tax instalments paid	840	
Labour tax credit for qualifying journalism organizations		
Total credits	890	4,000 ▶ 4,000 B

Balance (amount A **minus** amount B) -4,000

Refund code 894 1 Refund 4,000 ◀

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 G1829

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

Certification

I, 950 Klujber (Last name) 951 Jim (First name) 954 CEO (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 Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (519) 323-1710 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
WELLINGTON NORTH POWER INC.	86688 8522 RC0001	2019-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	3,851,964	3,824,358
	Total tangible capital assets	2008	+	13,567,155	12,958,151
	Total accumulated amortization of tangible capital assets	2009	–	2,582,298	2,064,103
	Total intangible capital assets	2178	+		
	Total accumulated amortization of intangible capital assets	2179	–		
	Total long-term assets	2589	+	7,929	52,874
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	14,844,750	14,771,280
	Liabilities				
	Total current liabilities	3139	+	3,800,341	3,811,906
	Total long-term liabilities	3450	+	6,395,975	6,568,159
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	10,196,316	10,380,065
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	4,648,434	4,391,215
	Total liabilities and shareholder equity	3640	=	14,844,750	14,771,280
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	3,017,595	2,760,376

* Generic item

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
WELLINGTON NORTH POWER INC.	86688 8522 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	+	12,275,461	12,075,935
	Cost of sales	8518	–	12,418,466	12,102,862
	Gross profit/loss	8519	=	-143,005	-26,927
	Cost of sales	8518	+	12,418,466	12,102,862
	Total operating expenses	9367	+	2,574,229	2,404,929
	Total expenses (mandatory field)	9368	=	14,992,695	14,507,791
	Total revenue (mandatory field)	8299	+	15,151,251	14,866,370
	Total expenses (mandatory field)	9368	–	14,992,695	14,507,791
	Net non-farming income	9369	=	158,556	358,579
	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	=	158,556	358,579
	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	–	-200,108	-69,305
	Current income taxes	9990	–	44,050	45,248
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	314,614	382,636

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
WELLINGTON NORTH POWER INC.	86688 8522 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 ☒ No ☐

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

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

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

Part 2 – Type of involvement with the financial statements

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

Completed an auditor's report . . . . . 1 ☒

Completed a review engagement report . . . . . 2 ☐

Conducted a compilation engagement . . . . . 3 ☐

Part 3 – Reservations

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

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

Part 4 – Other information

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

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

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

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

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

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

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

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

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

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

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . . **200** Yes ☐ No ☒

If **yes**, enter the amount recognized:		**In net income** Increase (decrease)		**In OCI** Increase (decrease)
Property, plant, and equipment	**210**		**211**	
Intangible assets	**215**		**216**	
Investment property	**220**			
Biological assets	**225**			
Financial instruments	**230**		**231**	
Other	**235**		**236**	

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . . **250** Yes ☐ No ☒

Did the corporation apply hedge accounting during the tax year? . . . . **255** Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year? . . . . **260** Yes ☐ No ☒

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . . **265** Yes ☐ No ☒

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

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
6

1. Reporting entity:

Wellington North Power Inc. (the "Company") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Company is located in the Township of Wellington North. The address of the Company's registered office is 290 Queen Street West, Mount Forest, Ontario.

The Company delivers electricity and related energy services to residential and commercial customers in the urban areas of Mount Forest, Arthur, and Holstein. The Company is owned by the Township of Wellington North (97% share) and the Township of Southgate (3% share).

The financial statements are for the Company as at and for the year ended December 31, 2019.

2. Basis of presentation:

(a) Statement of compliance:

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on March 31, 2020.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

The financial statements have been prepared on the historical cost basis except for the following:

(i) Where held, financial instruments at fair value through profit or loss
(ii) Contributed assets are initially measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
7

2. Basis of presentation (continued):

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3(b) - Determination of the performance obligation for contributions from customers and the related amortization period

(ii) Note 3(b) - measurement of unbilled revenue

(iii) Notes 7, 8 - estimation of useful lives of its property, plant and equipment and intangible assets

(iv) Note 10 - recognition and measurement of regulatory balances

(v) Note 13 - measurement of defined benefit obligations: key actuarial assumptions

(vi) Note 18 - recognition and measurement of provisions and contingencies

(e) Rate regulation:

The Company is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Company is required to bill customers for the debt retirement charge set by the province.

The Company may file to recover uncollected debt retirement charges from Ontario Electricity Financial Company ("OEFC") once each year.

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
8

2. Basis of presentation (continued):

(e) Rate regulation (continued):

Rate setting:

Distribution revenue

For the distribution revenue included in sale of energy, the Company files a "Cost of Service" ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Company's business. The Company estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from customers.

The Company last filed a COS application in November 2015 for rates effective May 1, 2016 to April 30, 2021. The GDP IPI-FDD for 2019 is 1.50%, the Company's productivity factor is nil% and the stretch factor is 0.45%, resulting in a net adjustment of 1.05% to the previous year's rates.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Company is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

WELLINGTON NORTH POWER INC.

Notes to Financial Statements

Year ended December 31, 2019

9

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments:

At initial recognition, the Company measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019

3. Significant accounting policies (continued):

(b) Revenue recognition:

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 Revenue from Contracts with Customers. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

(c) Materials and supplies:

Materials and supplies, the majority of which are consumed by the Company in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
11

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Company has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not

General Index of Financial Information

Notes to the financial statements

depreciated until the project is complete and the asset is available for use.

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
12

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

The estimated useful lives are as follows:

Buildings	15-60 years
Distribution stations	20-55 years
Distribution lines	45-65 years
Distribution transformers	40 years
Distribution meters	5-30 years
Distribution services	40-60 years
Computer equipment	5 years
Transportation equipment	5-8 years
System supervisory equipment	10 years
Other	5-10 years

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Company after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Distribution rights	25 years
Computer software	5 years

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
13

3. Significant accounting policies (continued):

(f) Impairment:

(i) Financial assets measured at amortized cost:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to

General Index of Financial Information

Notes to the financial statements

determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
14

3. Significant accounting policies (continued):

(i) Regulatory balances:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account

General Index of Financial Information

Notes to the financial statements

credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Company.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue.

The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Company is required to refund amounts to ratepayers in the future, the Company recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

(j) Post-employment benefits:

(i) Pension plan:

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

WELLINGTON NORTH POWER INC.

General Index of Financial Information

Notes to the financial statements

Notes to Financial Statements
Year ended December 31, 2019
15

3. Significant accounting policies (continued):

(j) Post-employment benefits (continued):

(i) Pension plan (continued):

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Company is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension:

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

(k) Leased assets:

Under IAS 17

In the comparative period, assets held under leases were classified as operating leases and were not recognized in the Company's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

Policy applicable from January 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset;

General Index of Financial Information

Notes to the financial statements

(ii) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
16

(k) Leased assets (continued):

a) The Company has the right to operate the asset; or

b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

Short-term leases and low value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for shortterm leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and net interest expense on postemployment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the Electricity Act, 1998, the Company makes payments in lieu of corporate taxes to the Ontario Electricity Financial Company ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
17

4. Change in Accounting Policy:

The Company adopted IFRS 16, Leases effective January 1, 2019. The adoption of IFRS 16 did not impact the Company's statement of financial position as all lease agreements are for low-value assets.

5. Accounts receivable:

	2019	2018
Trade customer receivables	$ 1,281,657	$ 1,532,665
Other trade receivables	10,517	10,961
Billable work	48,804	2,064
	$ 1,340,978	$ 1,545,690

6. Materials and supplies:

The amount written down due to obsolescence in 2019 was $nil (2018 - $nil).

7. Property, plant and equipment:

	Land and buildings	Distribution equipment	Other fixed assets	Construction -in-Progress	Total
Cost or deemed cost					
Balance at January 1, 2019	$ 475,634	$ 10,234,098	$ 1,165,316	$ 747	$ 11,875,795
Additions	1,215	505,698	117,705	7,286	631,904
Transfers	-	-	-	-	-
Disposals/retirements	-	(75,028)	(19,216)	-	(94,244)
Balance at December 31, 2019	$ 476,849	$ 10,664,768	$ 1,263,805	$ 8,033	$ 12,413,455
Balance at January 1, 2018	$ 475,634	$ 8,027,153	$ 1,115,533	$ 119,019	$ 9,737,339
Additions	-	2,139,502	49,783	-	2,189,285
Transfers	-	118,272	-	(118,272)	-
Disposals/retirements	-	(50,829)	-	-	(50,829)
Balance at December 31, 2018	$ 475,634	$ 10,234,098	$ 1,165,316	$ 747	$ 11,875,795
Accumulated depreciation					

General Index of Financial Information

Notes to the financial statements

Balance at January 1, 2019 $ 69,882 $ 1,045,818 $ 688,728 $ - $ 1,804,428

Depreciation 15,268 298,361 144,695 - 458,324

Disposals/retirements - 23,154 19,216 - 42,370

Balance at December 31, 2019 $ 85,150 $ 1,321,025 $ 814,207 $ $ 2,220,382

Balance at January 1, 2018 $ 54,625 $ 800,407 $ 545,293 $ - $ 1,400,325

Depreciation 15,257 266,323 143,435 - 425,015

Disposals/retirements - (20,912) - - (20,912)

Balance at December 31, 2018 $ 69,882 $ 1,045,818 $ 688,728 $ - $ 1,804,428

Carrying amounts

At December 31, 2019 $ 391,699 $ 9,343,743 $ 449,598 $ 8,033 $ 10,193,073

At December 31, 2018 $ 405,752 $ 9,188,280 $ 476,588 $ 747 $ 10,071,367

WELLINGTON NORTH POWER INC.

Notes to Financial Statements

Year ended December 31, 2019

18

7. Property, plant and equipment (continued):

For the year ended December 31, 2019, depreciation expense in the amount of $54,058 (2018 - $56,586) related to other fixed assets was allocated to project costs and either expensed to operations and maintenance, or capitalized into construction-in-progress.

8. Intangible assets:

Distribution Computer

rights software Total

Cost or deemed cost

Balance at January 1, 2019 $ 838,765 $ 327,468 $ 1,166,233

Additions - 32,207 32,207

Disposals/retirements - (44,738) (44,738)

Balance at December 31, 2019 $ 838,765 $ 314,937 $ 1,153,702

Balance at January 1, 2018 $ 838,765 $ 322,768 $ 1,161,533

Additions - 4,700 4,700

Balance at December 31, 2018 $ 838,765 $ 327,468 $ 1,166,233

Accumulated amortization

Balance at January 1, 2019 $ 83,877 $ 259,675 $ 343,552

Amortization 33,551 29,552 63,103

Disposals/retirements - (44,738) (44,738)

Balance at December 31, 2019 $ 117,428 $ 244,489 $ 361,917

Balance at January 1, 2018 $ 50,326 $ 228,012 $ 278,338

Amortization 33,551 31,663 65,214

Balance at December 31, 2018 $ 83,877 $ 259,675 $ 343,552

Carrying amounts

At December 31, 2019 $ 721,337 $ 70,448 $ 791,785

At December 31, 2018 $ 754,888 $ 67,793 $ 822,681

WELLINGTON NORTH POWER INC.

Notes to Financial Statements

Year ended December 31, 2019

19

9. Income tax expense:

2019 2018

Current year $ - $ -

Adjustment for prior years (896) 2,786

Current tax expense (recovery) $ (896) $ 2,786

Origination and reversal of temporary differences $ 44,946 $ 41,066

Adjustment for prior years - 1,396

Deferred tax expense $ 44,946 $ 42,462

Income tax expense $ 44,050 $ 45,248

General Index of Financial Information

Notes to the financial statements

Reconciliation of effective tax rate

2019 2018

Income before taxes $ 158,556 $ 358,579

Canada and Ontario statutory Income tax rates 13.5% 13.5%

Expected tax provision on income at statutory rates 21,405 48,408

Increase (decrease) in income taxes resulting from:

Permanent differences 79 69

Adjustment for prior years (2,448) 32

Net movement in regulatory balances 25,014 -

Change in enacted tax rate - (3,261)

Income tax expense $ 44,050 $ 45,248

Significant components of the Company's deferred tax balances

2019 2018

Deferred tax assets:

Post-employment benefits $ 22,369 $ 23,682

Deferred revenue 55,563 53,762

Non-capital loss carryforwards 11,583 -

$ 89,515 $ 77,444

Deferred tax liabilities:

Property, plant and equipment $ (83,732) $ (26,717)

$ (83,732) $ (26,717)

WELLINGTON NORTH POWER INC.

Notes to Financial Statements

Year ended December 31, 2019

20

10. Regulatory balances:

Reconciliation of the carrying amount for each class of regulatory balances

January 1, Additions/ Recovery/ December 31,

Regulatory deferral account debit balances 2019 activity reversal 2019

Retail settlement variance accounts $ 579,394 $ 146,837 $ - $ 726,231

Disposition accounts 50,711 1,117 - 51,828

Other regulatory accounts 100,830 2,022 - 102,852

Deferred income tax 7,917 (7,091) - 826

$ 738,852 $ 142,885 $ - $ 881,737

January 1, Additions/ Recovery/ December 31,

Regulatory deferral account debit balances 2018 activity reversal 2018

Retail settlement variance accounts $ 723,879 $ (144,485) $ - $ 579,394

Disposition accounts 49,786 925 - 50,711

Other regulatory accounts 98,919 1,911 - 100,830

Deferred income tax 16,446 (8,529) - 7,917

$ 889,030 $ (150,178) $ - $ 738,852

January 1, Additions/ Recovery/ December 31,

Regulatory deferral account credit balances 2019 activity reversal 2019

Retail settlement variance accounts $ 551,306 $ (11,658) $ - $ 539,648

Disposition accounts - - - -

Other regulatory accounts - - - -

Deferred income tax 58,729 (52,037) - 6,692

$ 610,035 $ (63,695) $ - $ 546,340

January 1, Additions/ Recovery/ December 31,

Regulatory deferral account credit balances 2018 activity reversal 2018

Retail settlement variance accounts $ 727,641 $ (176,335) $ - $ 551,306

Disposition accounts - - - -

Other regulatory accounts - - - -

Deferred income tax 109,637 (50,908) - 58,729

$ 837,278 $ (227,243) $ - $ 610,035

WELLINGTON NORTH POWER INC.

Corporation's name	Business number	Tax year end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 RC0001	2019-12-31

General Index of Financial Information

Notes to the financial statements

Notes to Financial Statements
Year ended December 31, 2019
21
10. Regulatory balances (continued):
The regulatory balances are recovered or settled through rates approved by
the OEB which are
determined using estimates of future consumption of electricity by its
customers. Future
consumption is impacted by various factors including the economy and weather.
The Company
has received approval from the OEB to establish its regulatory balances.
Settlement of the Group 1 deferral accounts is done on an annual basis
through application to the
OEB. Once approval is received, the approved account balance is moved to the
regulatory
settlement account. An application has not been made to the OEB to recover or
dispose of any of
these accounts in the 2019 IRM as the Company did not meet the threshold test
for the Group 1
deferral accounts. The OEB requires the Company to estimate its income taxes
when it files a COS
application to set its rates. As a result, the Company has recognized a
regulatory deferral account
for the amount of deferred taxes that will ultimately be recovered from/paid
back to its customers.
This balance will fluctuate as the Company's deferred tax balance fluctuates.
Regulatory balances attract interest at OEB prescribed rates, which are based
on Bankers'
Acceptances three-month rate plus a spread of 25 basis points. In 2019, the
rate ranged from
2.18% to 2.45%.
11. Accounts payable and accrued liabilities:
2019 2018
Accounts payable - energy purchases $ 1,254,139 $ 1,291,948
Other 1,252,300 1,520,687
$ 2,506,439 $ 2,812,635
WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
22
12. Long-term debt:
2019 2018
Township of Wellington North promissory note,
interest only at 4.54%, payable quarterly in
arrears $ 985,015 $ 985,015
Ontario Infrastructure loan, interest at 4.42%,
payable in monthly instalments, due 2026
secured by a General Security Agreement 611,200 692,013
Ontario Infrastructure loan, interest at 4.49%,
payable in monthly instalments, due 2043
secured by a General Security Agreement 989,658 1,012,239
Ontario Infrastructure loan, interest at 3.28%,
payable in monthly instalments, due 2045
secured by a General Security Agreement 1,034,182 1,060,084
Ontario Infrastructure loan, interest at 3.69%,
payable in monthly instalments, due 2048

General Index of Financial Information

Notes to the financial statements

secured by a General Security Agreement 820,597 836,881
Ontario Infrastructure loan, interest at 3.69%,
payable in monthly instalments, due 2048
secured by a General Security Agreement 832,356 847,529
Ontario Infrastructure loan, interest at 3.47%,
payable in monthly instalments, due 2041
secured by a General Security Agreement 497,235 512,624
Ontario Infrastructure loan, interest at 3.27%,
payable in monthly instalments, due 2041
secured by a General Security Agreement 503,845 519,128
6,274,088 6,465,513
Less current portion of long-term debt 199,238 191,425
$ 6,074,850 $ 6,274,088

On June 3, 2013, the Council of the Township of Wellington North passed a resolution to defer all future principal payments on the existing promissory note and that interest will continue to be payable at 4.54%.

Principal repayments for the next five years and thereafter are as follows:

2020	$ 199,238
2021	207,375
2022	215,850
2023	224,677
2024	233,870
Thereafter	5,193,078
	$ 6,274,088

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
23

13. Post-employment benefits:

(a) OMERS pension plan:

The Company provides a pension plan for its employees through OMERS. The plan is a multiemployer, contributory defined pension plan with equal contributions by the employer and its employees. In 2019, the Company made employer contributions of $109,103 OMERS (2018 - $106,334), of which $11,008 (2018 - $13,964) has been capitalized as part of PP&E and the remaining amount of $98,095 (2018 - $92,370) has been recognized in profit or loss. The Company estimates that a contribution of $109,180 (2018 - $110,076) to OMERS will be made during the next fiscal year.

As at December 31, 2019, OMERS had approximately 500,000 members, of whom 12 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2019, which reported that the plan was 97% funded, with an unfunded liability of $3.4 billion. This unfunded liability is likely to result in future payments by participating employers and members.

(b) Post-employment benefits other than pension:

The Company pays certain medical and life insurance benefits on behalf of

some of its retired
employees. The Company recognizes these post-employment benefits in the year
in which
employees' services were rendered. The Company is recovering its post-
employment benefits
in rates based on the expense and remeasurements recognized for post-
employment benefit
plans.
Reconciliation of the obligation 2019 2018
Defined benefit obligation, beginning of year $ 175,425 $ 171,755
Included in profit or loss
Current service cost 7,742 7,452
Interest cost 6,630 6,498
189,797 185,705
Included in OCI
Actuarial gains arising from:
changes in financial assumptions - -
189,797 185,705
Benefits paid (10,489) (10,280)
Defined benefit obligation, end of year $ 178,948 $ 175,425
Actuarial assumptions 2019 2018
Discount (interest) rate 3.90% 3.90%
Salary levels 2.25% 2.25%
Medical Costs 6.40% 7.00%
Dental Costs 4.60% 4.60%
WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
24
13. Post-employment benefits (continued):
(b) Post-employment benefits other than pension (continued):
A 1% increase or decrease in the assumed discount rate would have an
insignificant effect on
the defined benefit obligation.
14. Share capital:
2019 2018
Authorized:
Unlimited number of common shares
Unlimited number of special shares, issuable in series
Issued:
1,557 common shares $ 1,634,404 $ 1,634,404
15. Other revenue:
2019 2018
Rendering of services $ 63,265 $ 61,316
Other 107,379 94,817
$ 170,644 $ 156,133
16. Employee salaries and benefits:
2019 2018
Salaries, wages and benefits $ 1,278,275 $ 1,239,416
CPP and EI remittances 46,317 48,228
Contributions to OMERS 109,103 106,334
$ 1,433,695 $ 1,393,978
17. Finance costs:
2019 2018
Finance costs
Interest expense on long-term debt $ 187,390 $ 196,254

Other 85,047 48,904
$ 272,437 $ 245,158

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
25

18. Commitments and contingencies:

General Liability Insurance:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario.

All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2019, no assessments have been made.

19. Related party transactions:

(a) Parent and ultimate controlling party:

The Company is owned by the Township of Wellington North (97% share) and the Township of Southgate (3% share). The Townships produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties:

2019 2018
Township of Wellington North - receivable $ 49,616 $ 10,961
Township of Wellington North - payable (853,182) (789,680)
Township of Wellington North - note payable (note 12) (985,015) (985,015)
$ (1,788,581) $ (1,763,734)

(c) Transactions with the Township of Wellington North:

The Company delivers electricity to the Township of Wellington North throughout the year for the electricity needs of the Township of Wellington North and its related organizations.

Electricity delivery charges are at prices and under terms approved by the OEB. The Company also provides additional services to the customers of the communities of Mount Forest and Arthur within the Township of Wellington North, including streetlight maintenance services and water and waste water billing and collection services. Revenue from these services was $100,609 (2018 - $99,525).

(d) Key management personnel:

The key management personnel of the Company have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

2019 2018
Directors' fees $ 27,101 $ 27,101
Salaries and other benefits 433,502 428,601
$ 460,603 $ 455,702

WELLINGTON NORTH POWER INC.
Notes to Financial Statements

Year ended December 31, 2019

26

20. Financial instruments and risk management:

Fair value disclosure:

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

Financial risks:

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers located in the urban areas of Mount Forest, Arthur, and Holstein. At December 31, 2019, two customers represented 30% (2018 - 31%) of trade accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss.

Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2019 is $18,583 (2018 - $13,315).

An impairment loss of $13,749 (2018 - $12,048) was recognized during the year.

The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2019, approximately $19,468 (2018 - $1,373) is considered 60 days past due. The Company has over 3,700 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance on accounts billed over $10,000 per month. As at December 31, 2019, the Company holds security deposits in the amount of $146,857 (2018 - $195,532).

WELLINGTON NORTH POWER INC.

Notes to Financial Statements

Year ended December 31, 2019

27

20. Financial instruments and risk management (continued):

General Index of Financial Information

Notes to the financial statements

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Company currently does not have any material commodity or foreign exchange risk. The Company is exposed to fluctuations in interest rates as the regulated rate of return for the Company's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2019 would have increased interest expense on the long-term debt by $63,699 (2018 - $57,509), assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

(c) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Company has access to a $1,500,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2019, $nil had been drawn under the Company's credit facility (2018 - $nil).

The Company also has a facility for $558,879 (the "LC" facility) for the purpose of issuing letters of credit mainly to support the prudential requirements of the Independent Electricity System Operator ("IESO"), of which $nil has been drawn and posted with the IESO (2018 - $nil).

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Company, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Company's definition of capital includes equity and long-term debt. As at December 31, 2019, equity amounts to $4,648,434 (2018 - $4,391,215) and long-term debt amounts to

Corporation's name	Business number	Tax year end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 RC0001	2019-12-31

General Index of Financial Information

Notes to the financial statements

$6,274,088 (2018 - $6,465,513).

WELLINGTON NORTH POWER INC.
Notes to Financial Statements
Year ended December 31, 2019
28

21. Revenue from contracts with customers:

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. Other sources of revenue include performance incentive payments under CDM programs.

	2019	2018
Revenue with Contracts with Customers	$ 14,980,607	$ 14,710,237
Other revenue	170,644	156,133
	$ 15,151,251	$ 14,866,370

In the following table, revenue from contracts with customers is disaggregated by type of customer.

	2019	2018
Residential	$ 4,393,606	$ 4,056,484
General Service	4,134,468	5,249,822
Large Users	6,204,563	5,218,227
Other	247,970	185,704
	$ 14,980,607	$ 14,710,237

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
WELLINGTON NORTH POWER INC.	86688 8522 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			314,614	A
Add:				
Provision for income taxes – current	101	44,050		
Amortization of tangible assets	104	521,427		
Loss on disposal of assets	111	41,692		
Charitable donations and gifts from Schedule 2	112	3,270		
Non-deductible meals and entertainment expenses	121	528		
Reserves from financial statements – balance at the end of the year	126	178,948		
Subtotal of additions		789,915 ▶	789,915	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	6,288
	Total of column 2	6,288

Total of column 2 ▶	296	6,288		
Subtotal of other additions	199	6,288 ▶	6,288	D
Total additions	500	796,203 ▶	796,203	
Amount A **plus** line 500			1,110,817	B
Deduct:				
Capital cost allowance from Schedule 8	403	956,272		
Reserves from financial statements – balance at the beginning of the year	414	175,425		
Subtotal of deductions		1,131,697 ▶	1,131,697	

Other deductions:

Miscellaneous other deductions:

1 Description 705	2 Amount 395
Total of column 2	

Total of column 2 ▶	396			
Subtotal of other deductions	499	0 ▶	0	E
Total deductions	510	1,131,697 ▶	1,131,697	
Net income (loss) for income tax purposes (amount B **minus** line 510)			-20,880	C

Enter amount C on line 300 of the T2 return.

T2 SCH 1 E (19)

Canada

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

Federal

A		
☒	Investment tax credit from apprenticeship job creation expenditures	2,000
☒	Investment tax credit from child care spaces expenditures	
☐	Canadian film or video production tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Film or video production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☒	Investment tax credit claimed on contributions made to SR&ED farming organizations	
☐	Labour tax credit for qualifying journalism organizations	

Ontario

A		
☒	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	
☐	Ontario co-operative education tax credit	
☒	Ontario apprenticeship training tax credit	4,288
☐	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	
☒	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
WELLINGTON NORTH POWER INC.	86688 8522 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)
LEAP	3,270
Subtotal	3,270
Add: Total donations of less than $100 each	
Total donations in current tax year	3,270

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**	3,270		3,270	3,270
Subtotal (line 250 **plus** line 210)		3,270	B	3,270	3,270
Subtotal (line 240 **plus** amount B)		3,270	C	3,270	3,270
Adjustment for an acquisition of control	**255**				
Total charitable donations available (amount C **minus** line 255)		3,270	D	3,270	3,270
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**				
Charitable donations closing balance (amount D **minus** line 260)	**280**	3,270		3,270	3,270
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				
21st prior year*				
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 % . . . . 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) K

Maximum allowable deduction for charitable donations
(enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) 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				
21st prior year*				
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				
21st prior year*				
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				
21st prior year*				
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		
21st prior year*		
Total		

* These gifts expired in the current year.

Canada

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
WELLINGTON NORTH POWER INC.	86688 8522 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	TOWNSHIP OF WELLINGTON NORTH	NR	2019-12-31	57,395	
2					

57,395 (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	57,395
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	57,395

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)	22,001	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)				57,395
Other dividends paid in the tax year (total of 510 to 540)				
Total dividends paid in the tax year			500	57,395
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)				57,395 4B

Canada Revenue Agency Agence du revenu du Canada

Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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				-20,880	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")				-20,880	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)				-20,880	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.				-20,880	G

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year			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		▶		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	20,880	h		
Subtotal (amount g **plus** amount h)		20,880	▶	20,880	I
Subtotal (amount H **plus** amount I)				20,880	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**		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)			▶		K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				20,880	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**	20,880	N

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	**200**		a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	**205**		b		
Subtotal (amount a **plus** amount b)			▶		A
Deduct:					
Other adjustments (includes adjustments for an acquisition of control)	**250**		c		
Section 80 – Adjustments for forgiven amounts	**240**		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)			**210**		D
Unused non-capital losses that expired in the tax year (note 4)			e		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f		
Enter amount e or f, whichever is less	**215**		g		
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000			**220**		E
Subtotal (total of amounts C to E)					F

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

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

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

Part 2 – Capital losses (continued)

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

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

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

	Capital gain (100%)		Amount carried back (100%)		
First previous tax year		**951**		h	
Second previous tax year		**952**		i	
Third previous tax year		**953**		j	
Subtotal (total of amounts h to j)				▶	I

Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I) **280** ____ J

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year . . . . ____ a

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

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

Add:

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

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

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

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

Deduct:

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

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

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

Enter amount g on line 334 of the T2 Return.

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

Subtotal (total of amounts e to h) ____ ▶ ____ D

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

Deduct – **Request to carry back farm loss to:**

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

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

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

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

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

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

Subtotal (total of amounts i to n) ____ ▶ ____ F

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

Note 8: A farm loss expires as follows:

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

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Minus the deductible farm loss:

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

Amount a or $ 15,000 (note 10), whichever is less . . . . . ______ ▶ ______ 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 Enter amount c on line 655 of Schedule 6.	530		c		
Other adjustments	550		d		
Subtotal (amount c **plus** amount d)			▶		D
Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D)					E
Deduct – Request to carry back listed personal property loss to:					
First previous tax year to reduce listed personal property gains	961		e		
Second previous tax year to reduce listed personal property gains	962		f		
Third previous tax year to reduce listed personal property gains	963		g		
Subtotal (total of amounts e to g)			▶		F
Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F)				580	G

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

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

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

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

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

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

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

Note

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

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

If you are making an election under paragraph 88(1.1)(f), check the box . . . . **190** Yes ☐

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	20,880			N/A		20,880
1st preceding taxation year 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31		N/A		N/A			
3rd preceding taxation year 2016-12-31		N/A		N/A			
4th preceding taxation year 2015-12-31		N/A		N/A			
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		N/A		N/A			*
Total		20,880					20,880

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

Canada Revenue Agency
Agence du revenu du Canada

Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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				
Ontario apprenticeship training tax credit (from Schedule 552)	454	4,000			
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)		4,000	►	4,000	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 -4,000	

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 -4,000

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.

Canada Revenue Agency | Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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 ☒

	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		223,711						0	
2.	1		2,601,896	1,215	1,215				0	
3.	8		333,671	181,674	181,674				0	
4.	10		80,193	38,401	38,401				10,182	
5.	45		1,134						0	
6.	47		6,599,709	322,269	322,269				0	
7.	50		65,182	93,704	93,704				0	
8.	12		1,072	3,795	3,795				0	
		Totals	9,906,568	641,058	641,058				10,182	

	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		223,711					4	0	0	8,948	214,763
2.	1		2,603,111		1,215	608		4	0	0	104,149	2,498,962
3.	8		515,345		181,674	90,837		20	0	0	121,236	394,109

	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
4.	10		108,412	10,182	28,219	14,110		30	0	0	36,757	71,655
5.	45		1,134					45	0	0	510	624
6.	47		6,921,978		322,269	161,135		8	0	0	566,649	6,355,329
7.	50		158,886		93,704	46,852		55	0	0	113,156	45,730
8.	12		4,867		3,795			100	0	0	4,867	
		Totals	10,537,444	10,182	630,876	313,542					956,272	9,581,172

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).

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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.	TOWNSHIP OF WELLINGTON NORT		87307 3530 RC0001	1					

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	175,425		178,948	175,425	178,948
2						
	Reserves from Part 2 of Schedule 13					
	Totals	175,425		178,948	175,425	178,948

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.

Canada Revenue Agency   Agence du revenu du Canada

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	WELLINGTON NORTH POWER INC.	86688 8522 RC0001	1	500,000	100.0000	500,000	
2	TOWNSHIP OF WELLINGTON NORTH	87307 3530 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.

Canada Revenue Agency Agence du revenu du Canada

Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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	TOWNSHIP OF WELLINGTON NORTH	87307 3530 RC0001			96.790	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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
WELLINGTON NORTH POWER INC.	86688 8522 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

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3		57,395		
Total taxable dividends paid in the tax year	100	57,395		
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			B
Excessive eligible dividend designation (line 150 **minus** line 160)				C
Deduct:				
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	180			D
Subtotal (amount C **minus** amount D)				E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)	190			F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3				
Taxable dividends paid in the tax year **included** in Schedule 3				
Total taxable dividends paid in the tax year	200			
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)				G
Deduct:				
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	280			H
Subtotal (amount G **minus** amount H)				I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)	290			J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

Canada Revenue Agency Agence du revenu du Canada

Schedule 552

Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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: Jim Klujber

120 Telephone number: (519) 323-1710

Is the claim filed for an ATTC 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 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 ☒ 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 you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 1,392,296

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	Kyle Schmidt

	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.	CH02053	2015-11-11	2019-01-01	2019-10-20

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.		292	4,000

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.		91,870	22,968

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.	4,000		4,000

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 4,000 **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 . . . . WELLINGTON NORTH POWER 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
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 1

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . . -4,000

* 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		-20,880
Taxable income		
Donations		3,270
Calculation of income from an active business carried on in Canada		
Dividends paid		57,395
Dividends paid – Regular	57,395	
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		
Balance of the general rate income pool at the end of the year		
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	
				Other*	4,000
				Balance due/refund (–)	-4,000

* 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

Charitable donations	3,270
Non-capital losses	20,880
Financial statement reserve	178,948

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-20,880		
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	4,000		
Balance due/Refund (-)	-4,000		
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 – 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
WELLINGTON NORTH POWER INC.	11,035,718	11,035,718	4,651,999	4,651,999
TOWNSHIP OF WELLINGTON NORTH				
Total	11,035,718	11,035,718	4,651,999	4,651,999

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	-20,880	85,821	-40,968	-175,859	125,167
Taxable income		39,954			125,167
Active business income		85,821			125,167
Dividends paid	57,395	47,899			
Dividends paid – Regular	57,395	47,899			
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations	3,270	3,447	3,203	100	
Balance due/refund (-)	-4,000	-893	-5,000	-20,814	-21,747
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			125,167
Non-capital losses	N/A	N/A			125,167
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			125,167
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	39,954			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	39,954			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		1,996			11,768
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		7,192			21,278
M&P deduction					
Foreign tax credit					
Investment tax credit		2,000			2,000
Abatement/other*		3,995			12,517

* 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				15,828	37,572
Other*	4,000	2,889	5,000	4,986	

* 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	-20,880	85,821	-40,968	-175,859	125,167
Taxable income		39,954			125,167
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income		39,954			125,167
Surtax					
Income tax payable before deduction		4,595			14,394
Income tax deductions /credits		3,196			8,762
Net income tax payable		1,399			5,632
Taxable capital					
Capital tax payable					
Total tax payable*		1,399			5,632
Instalments and refundable credits	4,000	4,288	5,000	4,986	1,575
Balance due/refund**	-4,000	-2,889	-5,000	-4,986	4,057

* 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.

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

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** 86688 8522 RC0001

Corporation's name
002 WELLINGTON NORTH POWER INC.

Address of head office
Has this address changed since the last time we were notified? . . . . **010** Yes ☐ No ☒
If **yes**, complete lines 011 to 018.
011 PO BOX 359
012 290 QUEEN ST W
City **015** MOUNT FOREST
Province, territory, or state **016** ON
Country (other than Canada) **017** CA
Postal or ZIP code **018** N0G 2L0

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** Yes ☐ No ☒
If **yes**, complete lines 021 to 028.
021 c/o
022
023
City **025**
Province, territory, or state **026**
Country (other than Canada) **027**
Postal or ZIP code **028**

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . **030** Yes ☐ No ☒
If **yes**, complete lines 031 to 038.
031
032
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)
- ☒ 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 **060** Year Month Day 2019-01-01
Tax year-end **061** Year Month Day 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 ☒

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

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** Yes ☐ No ☒

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes ☐ No ☒

Is this the first year of filing after:
Incorporation? . . . . **070** Yes ☐ No ☒
Amalgamation? . . . . **071** Yes ☐ No ☒
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** Yes ☐ No ☒
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . **076** Yes ☐ No ☒

Is this the final return up to dissolution? . . . . **078** Yes ☐ No ☒

If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada? **080** Yes ☒ No ☐
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** Yes ☐ No ☒
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- ☐ 1 Exempt under paragraph 149(1)(e) or (l)
- ☐ 2 Exempt under paragraph 149(1)(j)
- ☐ 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- ☐ 4 Exempt under other paragraphs of section 149

Do not use this area
095 **096** **898**

Attachments

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

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

		Yes	Schedule
Is the corporation related to any other corporations?	**150**	☒	9
Is the corporation an associated CCPC?	**160**	☒	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**	☐	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**	☒	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**	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	**202**	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	**203**	☒	3
Is the corporation claiming any type of losses?	**204**	☒	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**	☒	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**	☐	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**	☐	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	**234**	☐	
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**	☒	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**	☐	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

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	**270**	Yes	☒	No	☐
Is the corporation inactive?	**280**	Yes	☐	No	☒

What is the corporation's main revenue-generating business activity? 913910 Other Local, Municipal and Regional Public Administration

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	ELECTRICAL ENERGY	**285**	100.000 %
286		**287**	%
288		**289**	%

Did the corporation immigrate to Canada during the tax year?	**291**	Yes	☐	No	☒
Did the corporation emigrate from Canada during the tax year?	**292**	Yes	☐	No	☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	**293**	Yes	☐	No	☐

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**	-128,324	A
Deduct:					
Charitable donations from Schedule 2	**311**				
Cultural gifts from Schedule 2	**313**				
Ecological gifts from Schedule 2	**314**				
Gifts of medicine made before March 22, 2017, from Schedule 2	**315**				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	**320**				
Part VI.1 tax deduction*	**325**				
Non-capital losses of previous tax years from Schedule 4	**331**				
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			►		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**		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**	500,000	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 500,000 x **415** *** 2,330 D / 11,250 = 103,556 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** ______ – 50,000 = ______ F

Amount C 500,000 / 100,000 x Amount F ______ = ______ G

Subtotal (the greater of amount E and amount G) **422** 103,556 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**	396,444	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**	396,444	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)					B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C		
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D		
Subtotal (amount C **minus** amount D) (if negative, enter "0")			▶		E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")			F		
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G		
Subtotal (amount F **plus** amount G)			▶		H
Amount H **multiplied** by 38 1 / 3 %					I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year)			520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0")			535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L		
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M		
Subtotal (amount L **plus** amount M)			▶		N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary			525		O
ERDTOH dividend refund for the previous tax year			570		P
Refundable portion of Part I tax (from line 450 on page 6)					Q
Part IV tax before deductions (amount 2A from Schedule 3)			R		
Part IV tax allocated to ERDTOH (amount N)			S		
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T		
Subtotal (amount R **minus** total of amounts S and T)			▶		U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary			540		V
NERDTOH dividend refund for the previous tax year			575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)					X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")					Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")			545		
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")					Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")			530		

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

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	22,001	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")	22,001	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 (if more than one jurisdiction, enter "multiple" and complete Schedule 5)	750	ON	
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	4,000		
Tax instalments paid	840			
Labour tax credit for qualifying journalism organizations				
Total credits	890	4,000	▶ 4,000	B
Balance (amount A **minus** amount B)			-4,000	

Refund code **894** 1

Refund 4,000 ◀

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** G1829

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

Certification

I, **950** Klujber	**951** Jim	**954** CEO,
Last name	First name	Position, office, or rank

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

955		**956** (519) 323-1710
Date (yyyy/mm/dd)	Signature of the authorized signing officer of the corporation	Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes ☒ No ☐

958	**959**
Name of other authorized person	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

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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			314,614	A

Add:

Provision for income taxes – current	101	44,050		
Amortization of tangible assets	104	521,427		
Loss on disposal of assets	111	41,692		
Charitable donations and gifts from Schedule 2	112	3,270		
Non-deductible meals and entertainment expenses	121	528		
Reserves from financial statements – balance at the end of the year	126	178,948		
Subtotal of additions		789,915 ►	789,915	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	6,288
	Total of column 2	6,288

Total of column 2 ►	296	6,288		
Subtotal of other additions	199	6,288 ►	6,288	D
Total additions	500	796,203 ►	796,203	
Amount A **plus** line 500			1,110,817	B

Deduct:

Capital cost allowance from Schedule 8	403	956,272		
Reserves from financial statements – balance at the beginning of the year	414	175,425		
Subtotal of deductions		1,131,697 ►	1,131,697	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Payroll burden capitalized for Accounting, expensed for tax	26,638
2	Amortization of deferred captial contributions	2,309
3	Regulatory amortization taken through Sch 8	33,551
4	Tax Recovery included in regulatory movement	44,946
	Total of column 2	107,444

Total of column 2 ►	396	107,444		
Subtotal of other deductions	499	107,444 ►	107,444	E
Total deductions	510	1,239,141 ►	1,239,141	
Net income (loss) for income tax purposes (amount B **minus** line 510)			-128,324	C

Enter amount C on line 300 of the T2 return.

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

Federal

A		
☒	Investment tax credit from apprenticeship job creation expenditures	2,000
☒	Investment tax credit from child care spaces expenditures	
☐	Canadian film or video production tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Film or video production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☒	Investment tax credit claimed on contributions made to SR&ED farming organizations	
☐	Labour tax credit for qualifying journalism organizations	

Ontario

A		
☒	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	
☐	Ontario co-operative education tax credit	
☒	Ontario apprenticeship training tax credit	4,288
☐	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	
☒	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
WELLINGTON NORTH POWER INC.	86688 8522 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)
LEAP	3,270
Subtotal	3,270
Add: Total donations of less than $100 each	
Total donations in current tax year	3,270

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**	3,270		3,270	3,270
Subtotal (line 250 **plus** line 210)		3,270	B	3,270	3,270
Subtotal (line 240 **plus** amount B)		3,270	C	3,270	3,270
Adjustment for an acquisition of control	**255**				
Total charitable donations available (amount C **minus** line 255)		3,270	D	3,270	3,270
Amount applied in the current year against taxable income (cannot be more than amount L in Part 2)	**260**				
(enter this amount on line 311 of the T2 return)					
Charitable donations closing balance (amount D **minus** line 260)	**280**	3,270		3,270	3,270

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				
21st prior year*				
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 % ____ 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) ____ K

Maximum allowable deduction for charitable donations
(enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) ____ 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	**410**				
(include this amount on line 112 of Schedule 1)					
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	**460**				
(enter this amount on line 313 of the T2 return)					
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				
21st prior year*				
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				
21st prior year*				
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				
21st prior year*				
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		
21st prior year*		
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
WELLINGTON NORTH POWER INC.	86688 8522 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	TOWNSHIP OF WELLINGTON NORTH	NR	2019-12-31	57,395	
2					

57,395	
(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	57,395
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	57,395

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)	22,001	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)				57,395
Other dividends paid in the tax year (total of 510 to 540)				
Total dividends paid in the tax year			500	57,395
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)				57,395 4B

T2 SCH 3 E (19)

Canadä

Canada Revenue Agency Agence du revenu du Canada

Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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				-128,324	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")				-128,324	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)				-128,324	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")				-128,324	G

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

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year			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		▶		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	128,324	h		
Subtotal (amount g **plus** amount h)		128,324	▶	128,324	I
Subtotal (amount H **plus** amount I)				128,324	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		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)			▶		K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				128,324	L

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

First previous tax year to reduce taxable income	901	39,954	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)		39,954	▶	39,954	M
Closing balance of non-capital losses to be carried forward to future tax years (amount L **minus** amount M)	180			88,370	N

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250		c		
Section 80 – Adjustments for forgiven amounts	240		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)	210				D
Unused non-capital losses that expired in the tax year (note 4)			e		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f		
Enter amount e or f, whichever is less	215		g		
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000	220				E
Subtotal (total of amounts C to E)					F

Note

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

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

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

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6)	**225**	G
Capital losses before any request for a carryback (amount F **minus** amount G)		H

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

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

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year		a		
Deduct: Farm loss expired (note 8)	**300**	b		
Farm losses at the beginning of the tax year (amount a **minus** amount b)	**302**	▶		A
Add:				
Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation	**305**	c		
Current-year farm loss (amount F in Part 1)	**310**	d		
Subtotal (amount c **plus** amount d)		▶		B
Subtotal (amount A **plus** amount B)				C
Deduct:				
Other adjustments (includes adjustments for an acquisition of control)	**350**	e		
Section 80 – Adjustments for forgiven amounts	**340**	f		
Farm losses of previous tax years applied in the current tax year 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	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 **minus** column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 **minus** column 6)
	600	**602**	**604**	**606**	**608**		**620**
1.							

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

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

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

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

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

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

Note

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

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

If you are making an election under paragraph 88(1.1)(f), check the box . . . . **190** Yes ☐

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	128,324		39,954	N/A		88,370
1st preceding taxation year 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31		N/A		N/A			
3rd preceding taxation year 2016-12-31		N/A		N/A			
4th preceding taxation year 2015-12-31		N/A		N/A			
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		N/A		N/A			*
Total		128,324		39,954			88,370

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

Canada Revenue Agency / Agence du revenu du Canada

Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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				
Ontario apprenticeship training tax credit (from Schedule 552)	454	4,000			
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)		4,000	►	4,000	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 -4,000	

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 -4,000

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.

Canada Revenue Agency | Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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 ☒

	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		223,711						0	
2.	1		2,601,896	1,215	1,215				0	
3.	8		333,671	181,674	181,674				0	
4.	10		80,193	38,401	38,401				10,182	
5.	45		1,134						0	
6.	47		6,599,709	322,269	322,269				0	
7.	50		65,182	93,704	93,704				0	
8.	12		1,072	3,795	3,795				0	
		Totals	9,906,568	641,058	641,058				10,182	

	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		223,711					4	0	0	8,948	214,763
2.	1		2,603,111		1,215	608		4	0	0	104,149	2,498,962
3.	8		515,345		181,674	90,837		20	0	0	121,236	394,109

	1		9	10	11	12	13	14	15	16	17	18
	Class number * See note 1 200	Description	UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	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")	Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	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	CCA rate % See note 11 212	Recapture of CCA See note 12 213	Terminal loss See note 13 215	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	UCC at the end of the year (column 9 **minus** column 17) 220
4.	10		108,412	10,182	28,219	14,110		30	0	0	36,757	71,655
5.	45		1,134					45	0	0	510	624
6.	47		6,921,978		322,269	161,135		8	0	0	566,649	6,355,329
7.	50		158,886		93,704	46,852		55	0	0	113,156	45,730
8.	12		4,867		3,795			100	0	0	4,867	
		Totals	10,537,444	10,182	630,876	313,542					956,272	9,581,172

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).

Canada Revenue Agency Agence du revenu du Canada

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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.	TOWNSHIP OF WELLINGTON NORT		87307 3530 RC0001	1					

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	175,425		178,948	175,425	178,948
2						
	Reserves from Part 2 of Schedule 13					
	Totals	175,425		178,948	175,425	178,948

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.

Canada Revenue Agency Agence du revenu du Canada

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	WELLINGTON NORTH POWER INC.	86688 8522 RC0001	1	500,000	100.0000	500,000	
2	TOWNSHIP OF WELLINGTON NORTH	87307 3530 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.

Canada Revenue Agency Agence du revenu du Canada

Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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	TOWNSHIP OF WELLINGTON NORTH	87307 3530 RC0001			96.790	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada

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
WELLINGTON NORTH POWER INC.	86688 8522 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

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		57,395			
Total taxable dividends paid in the tax year	100	57,395			
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		B
Excessive eligible dividend designation (line 150 **minus** line 160)					C
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180		D
Subtotal (amount C **minus** amount D)					E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %)			190		F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3					
Total taxable dividends paid in the tax year	200				
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)					G
Deduct:					
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			280		H
Subtotal (amount G **minus** amount H)					I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %)			290		J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

Canada Revenue Agency Agence du revenu du Canada

Schedule 552

Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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: Jim Klujber

120 Telephone number: (519) 323-1710

Is the claim filed for an ATTC 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 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 ☒ 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 you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 1,392,296

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:

$$\text{Specified percentage} = 45\,\% - \left[10\,\% \times \left(\frac{\text{amount on line 300} \;\textbf{minus}\; 400{,}000}{200{,}000} \right) \right]$$

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:

$$\text{Specified percentage} = 30\,\% - \left[5\,\% \times \left(\frac{\text{amount on line 300} \;\textbf{minus}\; 400{,}000}{200{,}000} \right) \right]$$

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	Kyle Schmidt

	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.	CH02053	2015-11-11	2019-01-01	2019-10-20

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.		292	4,000

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.		91,870	22,968

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.	4,000		4,000

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 4,000 **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 . . . . WELLINGTON NORTH POWER 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
☐	☐	☐	☐	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 1

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . . -4,000

* 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		-128,324
Taxable income		
Donations		3,270
Calculation of income from an active business carried on in Canada		
Dividends paid		57,395
Dividends paid – Regular	57,395	
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		
Balance of the general rate income pool at the end of the year		
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	
				Other*	4,000
				Balance due/refund (–)	-4,000

* 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

Carryback amounts

Non-capital losses	39,954

Carryforward balances

Charitable donations	3,270
Non-capital losses	88,370
Financial statement reserve	178,948

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-128,324		
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	4,000		
Balance due/Refund (-)	-4,000		
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 – 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
WELLINGTON NORTH POWER INC.	11,035,718	11,035,718	4,651,999	4,651,999
TOWNSHIP OF WELLINGTON NORTH				
Total	11,035,718	11,035,718	4,651,999	4,651,999

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	-128,324	85,821	-40,968	-175,859	125,167
Taxable income		39,954			125,167
Active business income		85,821			125,167
Dividends paid	57,395	47,899			
Dividends paid – Regular	57,395	47,899			
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations	3,270	3,447	3,203	100	
Balance due/refund (-)	-4,000	-893	-5,000	-20,814	-21,747
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			125,167
Non-capital losses	N/A	N/A			125,167
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			125,167
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	39,954			N/A
Non-capital losses	N/A	39,954			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	39,954			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		1,996			11,768
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		7,192			21,278
M&P deduction					
Foreign tax credit					
Investment tax credit		2,000			2,000
Abatement/other*		3,995			12,517

* 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				15,828	37,572
Other*	4,000	2,889	5,000	4,986	

* 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	-128,324	85,821	-40,968	-175,859	125,167
Taxable income		39,954			125,167
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income		39,954			125,167
Surtax					
Income tax payable before deduction		4,595			14,394
Income tax deductions /credits		3,196			8,762
Net income tax payable		1,399			5,632
Taxable capital					
Capital tax payable					
Total tax payable*		1,399			5,632
Instalments and refundable credits	4,000	4,288	5,000	4,986	1,575
Balance due/refund**	-4,000	-2,889	-5,000	-4,986	4,057

* 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.

APPENDIX 4H PROVINCIAL TAX RETURN

Canada Revenue Agency　Agence du revenu du Canada

T2 Corporation Income Tax Return

200

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** 86688 8522 RC0001

Corporation's name
002 WELLINGTON NORTH POWER INC.

Address of head office
Has this address changed since the last time we were notified? . . . . **010** Yes ☐ No ☒
If **yes**, complete lines 011 to 018.
011 PO BOX 359
012 290 QUEEN ST W
City **015** MOUNT FOREST
Province, territory, or state **016** ON
Country (other than Canada) **017** CA
Postal or ZIP code **018** N0G 2L0

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** Yes ☐ No ☒
If **yes**, complete lines 021 to 028.
021 c/o
022
023
City **025**
Province, territory, or state **026**
Country (other than Canada) **027**
Postal or ZIP code **028**

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . **030** Yes ☐ No ☒
If **yes**, complete lines 031 to 038.
031
032
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)
- ☒ 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 **060** Year Month Day 2019-01-01
Tax year-end **061** Year Month Day 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 ☒
If **yes**, provide the date control was acquired . . . . **065** Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** Yes ☐ No ☒

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes ☐ No ☒

Is this the first year of filing after:
Incorporation? . . . . **070** Yes ☐ No ☒
Amalgamation? . . . . **071** Yes ☐ No ☒
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** Yes ☐ No ☒
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . **076** Yes ☐ No ☒

Is this the final return up to dissolution? . . . . **078** Yes ☐ No ☒

If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada? **080** Yes ☒ No ☐
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** Yes ☐ No ☒
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- ☐ 1 Exempt under paragraph 149(1)(e) or (l)
- ☐ 2 Exempt under paragraph 149(1)(j)
- ☐ 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- ☐ 4 Exempt under other paragraphs of section 149

Do not use this area
095　**096**　**898**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

		Yes	Schedule
Is the corporation related to any other corporations?	**150**	☒	9
Is the corporation an associated CCPC?	**160**	☒	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**	☐	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**	☒	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**	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	**202**	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	**203**	☒	3
Is the corporation claiming any type of losses?	**204**	☒	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**	☒	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**	☐	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**	☐	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	**234**	☐	———
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	☒	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	☐	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

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes ☒	No ☐
Is the corporation inactive?	280	Yes ☐	No ☒

What is the corporation's main revenue-generating business activity? 913910 Other Local, Municipal and Regional Public Administration

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	ELECTRICAL ENERGY	285	100.000 %
286		287	%
288		289	%

Did the corporation immigrate to Canada during the tax year?	291	Yes ☐	No ☒
Did the corporation emigrate from Canada during the tax year?	292	Yes ☐	No ☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes ☐	No ☐

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		-128,324	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
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		▶		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**		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**	500,000	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 500,000 x **415** *** 2,330 D / 11,250 = 103,556 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** ______ – 50,000 = ______ F

Amount C 500,000 / 100,000 x Amount F ______ = ______ G

Subtotal (the greater of amount E and amount G)	**422**	103,556	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**	396,444	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**	396,444	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)			B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D
Subtotal (amount C **minus** amount D) (if negative, enter "0") ▶			E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")			F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G
Subtotal (amount F **plus** amount G) ▶			H
Amount H **multiplied** by 38 1 / 3 %			I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year)	520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0")	535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M
Subtotal (amount L **plus** amount M) ▶			N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTOH dividend refund for the previous tax year	570		P
Refundable portion of Part I tax (from line 450 on page 6)			Q
Part IV tax before deductions (amount 2A from Schedule 3)			R
Part IV tax allocated to ERDTOH (amount N)			S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T
Subtotal (amount R **minus** total of amounts S and T) ▶			U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTOH dividend refund for the previous tax year	575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)			X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")			Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545		
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")			Z
ERDTOH at the end of the tax year* (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530		

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

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	22,001	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")	22,001	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	4,000	
Tax instalments paid	840		
Labour tax credit for qualifying journalism organizations			
Total credits	890	4,000 ►	4,000 B

Balance (amount A **minus** amount B) -4,000

Refund code **894** 1 Refund 4,000 ◄

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** G1829

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

Certification

I, **950** Klujber (Last name) **951** Jim (First name) **954** CEO (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 Date (yyyy/mm/dd):
Signature of the authorized signing officer of the corporation:
956 (519) 323-1710 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

Financial Statements of

WELLINGTON NORTH POWER INC.

And Independent Auditors' Report thereon

Year ended December 31, 2019

KPMG LLP
115 King Street South
2nd Floor
Waterloo ON N2J 5A3
Canada
Tel 519-747-8800
Fax 519-747-8830

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Wellington North Power Inc.

Opinion

We have audited the financial statements of Wellington North Power Inc. (the Entity), which comprise:

- The statement of financial position as at December 31, 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

March 31, 2020

WELLINGTON NORTH POWER INC.

Statement of Financial Position
December 31, 2019, with comparative information for 2018

	Note	2019	2018
Assets			
Current assets			
Accounts receivable	5	$ 1,340,978	$ 1,545,690
Unbilled revenue		1,367,195	1,242,277
Materials and supplies	6	122,569	125,647
Prepaid expenses		139,485	171,892
Total current assets		2,970,227	3,085,506
Non-current assets			
Property, plant and equipment	7	10,193,073	10,071,367
Intangible assets	8	791,785	822,681
Other assets		2,145	2,145
Deferred tax assets	9	5,783	50,729
Total non-current assets		10,992,786	10,946,922
Total assets		$ 13,963,013	$ 14,032,428
Regulatory debit balances	10	881,737	738,852
Total assets and regulatory balances		$ 14,844,750	$ 14,771,280

See accompanying notes to the financial statements.

WELLINGTON NORTH POWER INC.

Statement of Financial Position
December 31, 2019, with comparative information for 2018

	Note	2019	2018
Liabilities			
Current liabilities			
Bank indebtedness		$ 401,467	$ 2,280
Accounts payable and accrued liabilities	11	2,506,439	2,812,635
Current portion of notes payable	12	199,238	191,425
Customer deposits		146,857	195,531
Total current liabilities		3,254,001	3,201,871
Non-current liabilities			
Long-term notes payable	12	6,074,850	6,274,088
Post-employment benefits	13	178,948	175,425
Deferred revenue		142,177	118,646
Total non-current liabilities		6,395,975	6,568,159
Total liabilities		9,649,976	9,770,030
Equity			
Share capital	14	1,634,404	1,634,404
Retained earnings		3,017,595	2,760,376
Accumulated other comprehensive loss		(3,565)	(3,565)
Total equity		4,648,434	4,391,215
Total liabilities and equity		$ 14,298,410	$ 14,161,245
Regulatory credit balances	10	546,340	610,035
Total liabilities, equity and regulatory balances		$ 14,844,750	$ 14,771,280

See accompanying notes to the financial statements.

On behalf of the Board:

____________________________ Director ____________________________ Director

WELLINGTON NORTH POWER INC.

Statement of Comprehensive Income
Year ended December 31, 2019, with comparative information for 2018

	Note	2019	2018
Revenue			
Sale of energy		$ 12,263,304	$ 12,075,935
Distribution revenue		2,717,303	2,634,302
Other	15	170,644	156,133
		15,151,251	14,866,370
Operating expenses			
Cost of power purchased		12,418,466	12,102,862
Operations and maintenance		621,325	637,798
Billing and collections		409,630	361,577
Administrative and general		784,856	710,012
Amortization and depreciation		470,150	433,645
Property taxes		15,831	16,739
		14,720,258	14,262,633
Income from operating activities		430,993	603,737
Finance costs	17	272,437	245,158
Income before income taxes		158,556	358,579
Income tax expense	9	44,050	45,248
Net income for the year		114,506	313,331
Net movement in regulatory balances, net of tax	10	200,108	69,305
Net income for the year and net movement in regulatory balances		314,614	382,636
Other comprehensive income for the year			
Remeasurement of post-employment benefits		-	-
Total comprehensive income for the year		$ 314,614	$ 382,636

See accompanying notes to the financial statements.

WELLINGTON NORTH POWER INC.

Statement of Changes in Equity
Year ended December 31, 2019, with comparative information for 2018

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total
Balance at January 1, 2018	$1,634,404	$2,425,639	$ (3,565)	$ 4,056,478
Net income and net movement in regulatory balances	-	382,636	-	382,636
Dividends	-	(47,899)	-	(47,899)
Balance at December 31, 2018	$1,634,404	$2,760,376	$ (3,565)	$ 4,391,215
Balance at January 1, 2019	$1,634,404	$ 2,760,376	$ (3,565)	$ 4,391,215
Net income and net movement in regulatory balances	-	314,614	-	314,614
Dividends	-	(57,395)	-	(57,395)
Balance at December 31, 2019	$1,634,404	$ 3,017,595	$ (3,565)	$ 4,648,434

See accompanying notes to the financial statements.

WELLINGTON NORTH POWER INC.

Statement of Cash Flows
Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Operating activities		
Net Income and net movement in regulatory balances	$ 314,614	$ 382,636
Adjustments for:		
Depreciation and amortization	521,427	490,229
Amortization of deferred revenue	(2,309)	(1,660)
Post-employment benefits	3,523	3,670
Loss on disposal of property, plant and equipment	41,692	27,877
Income tax expense	44,050	45,248
	922,997	948,000
Change in non-cash operating working capital:		
Accounts receivable	204,712	(254,072)
Unbilled revenue	(124,918)	101,190
Materials and supplies	3,078	(962)
Prepaid expenses	32,407	79,015
Accounts payable and accrued liabilities	(306,196)	(287,020)
Customer deposits	(48,674)	(46,087)
	(239,591)	(407,936)
Regulatory balances	(206,580)	(77,065)
Income tax refunded	896	23,677
Net cash from operating activities	477,722	486,676
Investing activities		
Purchase of property, plant and equipment	(631,904)	(2,189,285)
Proceeds on disposal of property, plant and equipment	10,182	2,040
Purchase of intangible assets	(32,207)	(4,700)
Contributions received from customers	25,840	-
Net cash used by investing activities	(628,089)	(2,191,945)
Financing activities		
Proceeds from long-term debt	-	1,684,410
Repayment of long-term debt	(191,425)	(254,937)
Dividends paid	(57,395)	(47,899)
Net cash from (used by) financing activities	(248,820)	1,381,574
Change in cash	(399,187)	(323,695)
Cash (bank indebtedness), beginning of year	(2,280)	321,415
Bank indebtedness, end of year	$ (401,467)	$ (2,280)

See accompanying notes to the financial statements.

1. Reporting entity:

Wellington North Power Inc. (the “Company”) is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Company is located in the Township of Wellington North. The address of the Company’s registered office is 290 Queen Street West, Mount Forest, Ontario.

The Company delivers electricity and related energy services to residential and commercial customers in the urban areas of Mount Forest, Arthur, and Holstein. The Company is owned by the Township of Wellington North (97% share) and the Township of Southgate (3% share).

The financial statements are for the Company as at and for the year ended December 31, 2019.

2. Basis of presentation:

(a) Statement of compliance:

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements were approved by the Board of Directors on March 31, 2020.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

The financial statements have been prepared on the historical cost basis except for the following:

(i) Where held, financial instruments at fair value through profit or loss

(ii) Contributed assets are initially measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. Basis of presentation (continued):

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3(b) – Determination of the performance obligation for contributions from customers and the related amortization period
(ii) Note 3(b) – measurement of unbilled revenue
(iii) Notes 7, 8 – estimation of useful lives of its property, plant and equipment and intangible assets
(iv) Note 10 – recognition and measurement of regulatory balances
(v) Note 13 – measurement of defined benefit obligations: key actuarial assumptions
(vi) Note 18 – recognition and measurement of provisions and contingencies

(e) Rate regulation:

The Company is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the *Ontario Energy Board Act, 1998*. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (“LDCs”), such as the Company, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

The Company is required to bill customers for the debt retirement charge set by the province. The Company may file to recover uncollected debt retirement charges from Ontario Electricity Financial Company (“OEFC”) once each year.

2. Basis of presentation (continued):

(e) Rate regulation (continued):

Rate setting:

Distribution revenue

For the distribution revenue included in sale of energy, the Company files a "Cost of Service" ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Company's business. The Company estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from customers.

The Company last filed a COS application in November 2015 for rates effective May 1, 2016 to April 30, 2021. The GDP IPI-FDD for 2019 is 1.50%, the Company's productivity factor is nil% and the stretch factor is 0.45%, resulting in a net adjustment of 1.05% to the previous year's rates.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Company is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments:

At initial recognition, the Company measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

3. Significant accounting policies (continued):

(b) Revenue recognition:

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 *Revenue from Contracts with Customers*. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 *Revenue from Contracts with Customers*. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

(c) Materials and supplies:

Materials and supplies, the majority of which are consumed by the Company in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment:

Items of property, plant and equipment (“PP&E”) used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Company's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Company has concluded it does not have any legal or constructive obligation to remove PP&E.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated. Construction-in-progress assets are not depreciated until the project is complete and the asset is available for use.

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

The estimated useful lives are as follows:

Buildings	15-60 years
Distribution stations	20-55 years
Distribution lines	45-65 years
Distribution transformers	40 years
Distribution meters	5-30 years
Distribution services	40-60 years
Computer equipment	5 years
Transportation equipment	5-8 years
System supervisory equipment	10 years
Other	5-10 years

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Company after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Distribution rights	25 years
Computer software	5 years

3. Significant accounting policies (continued):

(f) Impairment:

(i) Financial assets measured at amortized cost:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Company in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3. Significant accounting policies (continued):

(i) Regulatory balances:

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Company.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Company is required to refund amounts to ratepayers in the future, the Company recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

(j) Post-employment benefits:

(i) Pension plan:

The Company provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System (“OMERS”). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund (“the Fund”), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

3. Significant accounting policies (continued):

(j) Post-employment benefits (continued):

(i) Pension plan (continued):

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Company to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Company is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension:

The Company provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

(k) Leased assets:

Under IAS 17

In the comparative period, assets held under leases were classified as operating leases and were not recognized in the Company's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

Policy applicable from January 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) The contract involves the use of an identified asset;
(ii) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
(iii) The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

(k) Leased assets (continued):

a) The Company has the right to operate the asset; or
b) The Company designed the asset in a way that predetermines how and for what purposes it will be used.

This policy is applied to contracts entered into, or changed, on or after January 1, 2019.

Short-term leases and low value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Finance income and finance costs:

Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and net interest expense on post-employment benefits. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(m) Income taxes:

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Company is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the *Electricity Act*, 1998, the Company makes payments in lieu of corporate taxes to the Ontario Electricity Financial Company ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the *Electricity Act*, 1998, and related regulations. Prior to October 1, 2001, the Company was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

4. Change in Accounting Policy:

The Company adopted IFRS 16, Leases effective January 1, 2019. The adoption of IFRS 16 did not impact the Company's statement of financial position as all lease agreements are for low-value assets.

5. Accounts receivable:

	2019	2018
Trade customer receivables	$ 1,281,657	$ 1,532,665
Other trade receivables	10,517	10,961
Billable work	48,804	2,064
	$ 1,340,978	$ 1,545,690

6. Materials and supplies:

The amount written down due to obsolescence in 2019 was $nil (2018 - $nil).

7. Property, plant and equipment:

	Land and buildings	Distribution equipment	Other fixed assets	Construction -in-Progress	Total
Cost or deemed cost					
Balance at January 1, 2019	$ 475,634	$10,234,098	$1,165,316	$ 747	$11,875,795
Additions	1,215	505,698	117,705	7,286	631,904
Transfers	-	-	-	-	-
Disposals/retirements	-	(75,028)	(19,216)	-	(94,244)
Balance at December 31, 2019	$ 476,849	$10,664,768	$1,263,805	$ 8,033	$12,413,455
Balance at January 1, 2018	$ 475,634	$ 8,027,153	$1,115,533	$ 119,019	$ 9,737,339
Additions	-	2,139,502	49,783	-	2,189,285
Transfers	-	118,272	-	(118,272)	-
Disposals/retirements	-	(50,829)	-	-	(50,829)
Balance at December 31, 2018	$ 475,634	$10,234,098	$1,165,316	$ 747	$11,875,795
Accumulated depreciation					
Balance at January 1, 2019	$ 69,882	$ 1,045,818	$ 688,728	$ -	$ 1,804,428
Depreciation	15,268	298,361	144,695	-	458,324
Disposals/retirements	-	23,154	19,216	-	42,370
Balance at December 31, 2019	$ 85,150	$ 1,321,025	$ 814,207	$	$ 2,220,382
Balance at January 1, 2018	$ 54,625	$ 800,407	$ 545,293	$ -	$ 1,400,325
Depreciation	15,257	266,323	143,435	-	425,015
Disposals/retirements	-	(20,912)	-	-	(20,912)
Balance at December 31, 2018	$ 69,882	$ 1,045,818	$ 688,728	$ -	$ 1,804,428
Carrying amounts					
At December 31, 2019	$ 391,699	$ 9,343,743	$ 449,598	$ 8,033	$10,193,073
At December 31, 2018	$ 405,752	$ 9,188,280	$ 476,588	$ 747	$10,071,367

7. Property, plant and equipment (continued):

For the year ended December 31, 2019, depreciation expense in the amount of $54,058 (2018 - $56,586) related to other fixed assets was allocated to project costs and either expensed to operations and maintenance, or capitalized into construction-in-progress.

8. Intangible assets:

	Distribution rights	Computer software	Total
Cost or deemed cost			
Balance at January 1, 2019	$ 838,765	$ 327,468	$ 1,166,233
Additions	-	32,207	32,207
Disposals/retirements	-	(44,738)	(44,738)
Balance at December 31, 2019	$ 838,765	$ 314,937	$ 1,153,702
Balance at January 1, 2018	$ 838,765	$ 322,768	$ 1,161,533
Additions	-	4,700	4,700
Balance at December 31, 2018	$ 838,765	$ 327,468	$ 1,166,233
Accumulated amortization			
Balance at January 1, 2019	$ 83,877	$ 259,675	$ 343,552
Amortization	33,551	29,552	63,103
Disposals/retirements	-	(44,738)	(44,738)
Balance at December 31, 2019	$ 117,428	$ 244,489	$ 361,917
Balance at January 1, 2018	$ 50,326	$ 228,012	$ 278,338
Amortization	33,551	31,663	65,214
Balance at December 31, 2018	$ 83,877	$ 259,675	$ 343,552
Carrying amounts			
At December 31, 2019	$ 721,337	$ 70,448	$ 791,785
At December 31, 2018	$ 754,888	$ 67,793	$ 822,681

9. Income tax expense:

	2019	2018
Current year	$ -	$ -
Adjustment for prior years	(896)	2,786
Current tax expense (recovery)	$ (896)	$ 2,786
Origination and reversal of temporary differences	$ 44,946	$ 41,066
Adjustment for prior years	-	1,396
Deferred tax expense	$ 44,946	$ 42,462
Income tax expense	$ 44,050	$ 45,248

Reconciliation of effective tax rate

	2019	2018
Income before taxes	$ 158,556	$ 358,579
Canada and Ontario statutory Income tax rates	13.5%	13.5%
Expected tax provision on income at statutory rates	21,405	48,408
Increase (decrease) in income taxes resulting from:		
Permanent differences	79	69
Adjustment for prior years	(2,448)	32
Net movement in regulatory balances	25,014	-
Change in enacted tax rate	-	(3,261)
Income tax expense	$ 44,050	$ 45,248

Significant components of the Company’s deferred tax balances

	2019	2018
Deferred tax assets:		
Post-employment benefits	$ 22,369	$ 23,682
Deferred revenue	55,563	53,762
Non-capital loss carryforwards	11,583	-
	$ 89,515	$ 77,444
Deferred tax liabilities:		
Property, plant and equipment	$ (83,732)	$ (26,717)
	$ (83,732)	$ (26,717)

10. Regulatory balances:

Reconciliation of the carrying amount for each class of regulatory balances

Regulatory deferral account debit balances	January 1, 2019	Additions/ activity	Recovery/ reversal	December 31, 2019
Retail settlement variance accounts	$ 579,394	$ 146,837	$ -	$ 726,231
Disposition accounts	50,711	1,117	-	51,828
Other regulatory accounts	100,830	2,022	-	102,852
Deferred income tax	7,917	(7,091)	-	826
	$ 738,852	$ 142,885	$ -	$ 881,737

Regulatory deferral account debit balances	January 1, 2018	Additions/ activity	Recovery/ reversal	December 31, 2018
Retail settlement variance accounts	$ 723,879	$ (144,485)	$ -	$ 579,394
Disposition accounts	49,786	925	-	50,711
Other regulatory accounts	98,919	1,911	-	100,830
Deferred income tax	16,446	(8,529)	-	7,917
	$ 889,030	$ (150,178)	$ -	$ 738,852

Regulatory deferral account credit balances	January 1, 2019	Additions/ activity	Recovery/ reversal	December 31, 2019
Retail settlement variance accounts	$ 551,306	$ (11,658)	$ -	$ 539,648
Disposition accounts	-	-	-	-
Other regulatory accounts	-	-	-	-
Deferred income tax	58,729	(52,037)	-	6,692
	$ 610,035	$ (63,695)	$ -	$ 546,340

Regulatory deferral account credit balances	January 1, 2018	Additions/ activity	Recovery/ reversal	December 31, 2018
Retail settlement variance accounts	$ 727,641	$ (176,335)	$ -	$ 551,306
Disposition accounts	-	-	-	-
Other regulatory accounts	-	-	-	-
Deferred income tax	109,637	(50,908)	-	58,729
	$ 837,278	$ (227,243)	$ -	$ 610,035

10. Regulatory balances (continued):

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Company has received approval from the OEB to establish its regulatory balances.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. Once approval is received, the approved account balance is moved to the regulatory settlement account. An application has not been made to the OEB to recover or dispose of any of these accounts in the 2019 IRM as the Company did not meet the threshold test for the Group 1 deferral accounts. The OEB requires the Company to estimate its income taxes when it files a COS application to set its rates. As a result, the Company has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Company's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. In 2019, the rate ranged from 2.18% to 2.45%.

11. Accounts payable and accrued liabilities:

	2019	2018
Accounts payable – energy purchases	$ 1,254,139	$ 1,291,948
Other	1,252,300	1,520,687
	$ 2,506,439	$ 2,812,635

12. Long-term debt:

	2019	2018
Township of Wellington North promissory note, interest only at 4.54%, payable quarterly in arrears	$ 985,015	$ 985,015
Ontario Infrastructure loan, interest at 4.42%, payable in monthly instalments, due 2026 secured by a General Security Agreement	611,200	692,013
Ontario Infrastructure loan, interest at 4.49%, payable in monthly instalments, due 2043 secured by a General Security Agreement	989,658	1,012,239
Ontario Infrastructure loan, interest at 3.28%, payable in monthly instalments, due 2045 secured by a General Security Agreement	1,034,182	1,060,084
Ontario Infrastructure loan, interest at 3.69%, payable in monthly instalments, due 2048 secured by a General Security Agreement	820,597	836,881
Ontario Infrastructure loan, interest at 3.69%, payable in monthly instalments, due 2048 secured by a General Security Agreement	832,356	847,529
Ontario Infrastructure loan, interest at 3.47%, payable in monthly instalments, due 2041 secured by a General Security Agreement	497,235	512,624
Ontario Infrastructure loan, interest at 3.27%, payable in monthly instalments, due 2041 secured by a General Security Agreement	503,845	519,128
	6,274,088	6,465,513
Less current portion of long-term debt	199,238	191,425
	$ 6,074,850	$ 6,274,088

On June 3, 2013, the Council of the Township of Wellington North passed a resolution to defer all future principal payments on the existing promissory note and that interest will continue to be payable at 4.54%.

Principal repayments for the next five years and thereafter are as follows:

2020	$ 199,238
2021	207,375
2022	215,850
2023	224,677
2024	233,870
Thereafter	5,193,078
	$ 6,274,088

13. Post-employment benefits:

(a) OMERS pension plan:

The Company provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2019, the Company made employer contributions of $109,103 OMERS (2018 - $106,334), of which $11,008 (2018 - $13,964) has been capitalized as part of PP&E and the remaining amount of $98,095 (2018 - $92,370) has been recognized in profit or loss. The Company estimates that a contribution of $109,180 (2018 - $110,076) to OMERS will be made during the next fiscal year.

As at December 31, 2019, OMERS had approximately 500,000 members, of whom 12 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2019, which reported that the plan was 97% funded, with an unfunded liability of $3.4 billion. This unfunded liability is likely to result in future payments by participating employers and members.

(b) Post-employment benefits other than pension:

The Company pays certain medical and life insurance benefits on behalf of some of its retired employees. The Company recognizes these post-employment benefits in the year in which employees' services were rendered. The Company is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation	2019	2018
Defined benefit obligation, beginning of year	$ 175,425	$ 171,755
Included in profit or loss		
Current service cost	7,742	7,452
Interest cost	6,630	6,498
	189,797	185,705
Included in OCI		
Actuarial gains arising from:		
changes in financial assumptions	-	-
	189,797	185,705
Benefits paid	(10,489)	(10,280)
Defined benefit obligation, end of year	$ 178,948	$ 175,425

Actuarial assumptions	2019	2018
Discount (interest) rate	3.90%	3.90%
Salary levels	2.25%	2.25%
Medical Costs	6.40%	7.00%
Dental Costs	4.60%	4.60%

13. Post-employment benefits (continued):

(b) Post-employment benefits other than pension (continued):

A 1% increase or decrease in the assumed discount rate would have an insignificant effect on the defined benefit obligation.

14. Share capital:

	2019	2018
Authorized:		
Unlimited number of common shares		
Unlimited number of special shares, issuable in series		
Issued:		
1,557 common shares	$ 1,634,404	$ 1,634,404

15. Other revenue:

	2019	2018
Rendering of services	$ 63,265	$ 61,316
Other	107,379	94,817
	$ 170,644	$ 156,133

16. Employee salaries and benefits:

	2019	2018
Salaries, wages and benefits	$ 1,278,275	$ 1,239,416
CPP and EI remittances	46,317	48,228
Contributions to OMERS	109,103	106,334
	$ 1,433,695	$ 1,393,978

17. Finance costs:

	2019	2018
Finance costs		
Interest expense on long-term debt	$ 187,390	$ 196,254
Other	85,047	48,904
	$ 272,437	$ 245,158

18. Commitments and contingencies:

General Liability Insurance:

The Company is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2019, no assessments have been made.

19. Related party transactions:

(a) Parent and ultimate controlling party:

The Company is owned by the Township of Wellington North (97% share) and the Township of Southgate (3% share). The Townships produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties:

	2019	2018
Township of Wellington North - receivable	$ 49,616	$ 10,961
Township of Wellington North - payable	(853,182)	(789,680)
Township of Wellington North - note payable (note 12)	(985,015)	(985,015)
	$ (1,788,581)	$ (1,763,734)

(c) Transactions with the Township of Wellington North:

The Company delivers electricity to the Township of Wellington North throughout the year for the electricity needs of the Township of Wellington North and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB. The Company also provides additional services to the customers of the communities of Mount Forest and Arthur within the Township of Wellington North, including streetlight maintenance services and water and waste water billing and collection services. Revenue from these services was $100,609 (2018 - $99,525).

(d) Key management personnel:

The key management personnel of the Company have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

	2019	2018
Directors’ fees	$ 27,101	$ 27,101
Salaries and other benefits	433,502	428,601
	$ 460,603	$ 455,702

20. Financial instruments and risk management:

Fair value disclosure:

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

Financial risks:

The Company understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Company's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk:

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Company, such as accounts receivable, expose it to credit risk. The Company earns its revenue from a broad base of customers located in the urban areas of Mount Forest, Arthur, and Holstein. At December 31, 2019, two customers represented 30% (2018 - 31%) of trade accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2019 is $18,583 (2018 - $13,315). An impairment loss of $13,749 (2018 - $12,048) was recognized during the year.

The Company's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2019, approximately $19,468 (2018 - $1,373) is considered 60 days past due. The Company has over 3,700 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance on accounts billed over $10,000 per month. As at December 31, 2019, the Company holds security deposits in the amount of $146,857 (2018 - $195,532).

20. Financial instruments and risk management (continued):

(b) Market risk:

Market risks primarily refer to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Company currently does not have any material commodity or foreign exchange risk. The Company is exposed to fluctuations in interest rates as the regulated rate of return for the Company's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate at December 31, 2019 would have increased interest expense on the long-term debt by $63,699 (2018 - $57,509), assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

(c) Liquidity risk:

The Company monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Company's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Company has access to a $1,500,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2019, $nil had been drawn under the Company's credit facility (2018 - $nil).

The Company also has a facility for $558,879 (the "LC" facility) for the purpose of issuing letters of credit mainly to support the prudential requirements of the Independent Electricity System Operator ("IESO"), of which $nil has been drawn and posted with the IESO (2018 - $nil).

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures:

The main objectives of the Company, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Company's definition of capital includes equity and long-term debt. As at December 31, 2019, equity amounts to $4,648,434 (2018 - $4,391,215) and long-term debt amounts to $6,274,088 (2018 - $6,465,513).

21. Revenue from contracts with customers:

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. Other sources of revenue include performance incentive payments under CDM programs.

	2019	2018
Revenue with Contracts with Customers	$ 14,980,607	$ 14,710,237
Other revenue	170,644	156,133
	$ 15,151,251	$ 14,866,370

In the following table, revenue from contracts with customers is disaggregated by type of customer.

	2019	2018
Residential	$ 4,393,606	$ 4,056,484
General Service	4,134,468	5,249,822
Large Users	6,204,563	5,218,227
Other	247,970	185,704
	$ 14,980,607	$ 14,710,237

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
WELLINGTON NORTH POWER INC.	86688 8522 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			314,614	A

Add:

Provision for income taxes – current	101	44,050		
Amortization of tangible assets	104	521,427		
Loss on disposal of assets	111	41,692		
Charitable donations and gifts from Schedule 2	112	3,270		
Non-deductible meals and entertainment expenses	121	528		
Reserves from financial statements – balance at the end of the year	126	178,948		
Subtotal of additions		789,915 ▶	789,915	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	6,288
	Total of column 2	6,288

Total of column 2 ▶	296	6,288		
Subtotal of other additions	199	6,288 ▶	6,288	D
Total additions	500	796,203 ▶	796,203	
Amount A **plus** line 500			1,110,817	B

Deduct:

Capital cost allowance from Schedule 8	403	956,272		
Reserves from financial statements – balance at the beginning of the year	414	175,425		
Subtotal of deductions		1,131,697 ▶	1,131,697	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Payroll burden capitalized for Accounting, expensed for tax	26,638
2	Amortization of deferred captial contributions	2,309
3	Regulatory amortization taken through Sch 8	33,551
4	Tax Recovery included in regulatory movement	44,946
	Total of column 2	107,444

Total of column 2 ▶	396	107,444		
Subtotal of other deductions	499	107,444 ▶	107,444	E
Total deductions	510	1,239,141 ▶	1,239,141	
Net income (loss) for income tax purposes (amount B **minus** line 510)			-128,324	C

Enter amount C on line 300 of the T2 return.

T2 SCH 1 E (19)

Canada

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

Federal

A		
☒	Investment tax credit from apprenticeship job creation expenditures	2,000
☒	Investment tax credit from child care spaces expenditures	
☐	Canadian film or video production tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Film or video production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☒	Investment tax credit claimed on contributions made to SR&ED farming organizations	
☐	Labour tax credit for qualifying journalism organizations	

Ontario

A		
☒	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	
☐	Ontario co-operative education tax credit	
☒	Ontario apprenticeship training tax credit	4,288
☐	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	
☒	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
WELLINGTON NORTH POWER INC.	86688 8522 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)
LEAP	3,270
Subtotal	3,270
Add: Total donations of less than $100 each	
Total donations in current tax year	3,270

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**	3,270		3,270	3,270
Subtotal (line 250 **plus** line 210)		3,270	B	3,270	3,270
Subtotal (line 240 **plus** amount B)		3,270	C	3,270	3,270
Adjustment for an acquisition of control	**255**				
Total charitable donations available (amount C **minus** line 255)		3,270	D	3,270	3,270
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**				
Charitable donations closing balance (amount D **minus** line 260)	**280**	3,270		3,270	3,270

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				
21st prior year*				
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 % .... 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) K

Maximum allowable deduction for charitable donations
(enter amount D from Part 1, amount K, or net income for tax purposes, whichever is least) 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				
21st prior year*				
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				
21st prior year*				
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				
21st prior year*				
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		
21st prior year*		
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
WELLINGTON NORTH POWER INC.	86688 8522 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	TOWNSHIP OF WELLINGTON NORTH	NR	2019-12-31	57,395	
2					
				57,395 (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	57,395
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	57,395

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)	22,001	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)				57,395	
Other dividends paid in the tax year (total of 510 to 540)					
Total dividends paid in the tax year			500	57,395	
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)				57,395	4B

Canada Revenue Agency
Agence du revenu du Canada

Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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				-128,324	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")				-128,324	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)				-128,324	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")				-128,324	G

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

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year			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		▶		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	128,324	h		
Subtotal (amount g **plus** amount h)		128,324	▶	128,324	I
Subtotal (amount H **plus** amount I)				128,324	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		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)			▶			K
Non-capital losses before any request for a carryback (amount J **minus** amount K)					128,324	L

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

First previous tax year to reduce taxable income	901	39,954	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)		39,954	▶		39,954	M
Closing balance of non-capital losses to be carried forward to future tax years (amount L **minus** amount M)				180	88,370	N

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250		c			
Section 80 – Adjustments for forgiven amounts	240		d			
Subtotal (amount c **plus** amount d)			▶			B
Subtotal (amount A **minus** amount B)						C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)				210		D
Unused non-capital losses that expired in the tax year (note 4)			e			
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f			
Enter amount e or f, whichever is less	215		g			
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000				220		E
Subtotal (total of amounts C to E)						F

Note

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

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

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

Part 2 – Capital losses (continued)

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

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

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

	Capital gain (100%)		Amount carried back (100%)	
First previous tax year	______	**951**	______	h
Second previous tax year	______	**952**	______	i
Third previous tax year	______	**953**	______	j

Subtotal (total of amounts h to j) ______ ▶ ______ I

Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I) **280** ______ J

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year . . . . ______ a

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

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

Add:

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

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

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

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

Deduct:

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

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

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

Enter amount g on line 334 of the T2 Return.

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

Subtotal (total of amounts e to h) ______ ▶ ______ D

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

Deduct – **Request to carry back farm loss to:**

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

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

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

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

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

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

Subtotal (total of amounts i to n) ______ ▶ ______ F

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

Note 8: A farm loss expires as follows:

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

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Minus the deductible farm loss:

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

Amount a or $ 15,000 (note 10), whichever is less . . . . . ________ ▶ ________ 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 Enter amount c on line 655 of Schedule 6.	530		c		
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	128,324		39,954	N/A		88,370
1st preceding taxation year 2018-12-31		N/A		N/A			
2nd preceding taxation year 2017-12-31		N/A		N/A			
3rd preceding taxation year 2016-12-31		N/A		N/A			
4th preceding taxation year 2015-12-31		N/A		N/A			
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		N/A		N/A			*
Total		128,324		39,954			88,370

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

Canada Revenue Agency / Agence du revenu du Canada

Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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.

T2 SCH 5 E (19)

Canada

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**

Ontario apprenticeship training tax credit (from Schedule 552) **454** 4,000

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) 4,000 ► 4,000 5J

Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) . . . . **290** -4,000
(if a credit, enter amount in brackets) Include this amount on line 255.

Summary

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

Net provincial and territorial tax payable or refundable tax credits . . . . **255** -4,000

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.

Canada Revenue Agency　Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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 ☒

	1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
	200		**201**	**203**	**225**	**205**	**221**	**222**	**207**	**211**
1.	1		223,711						0	
2.	1		2,601,896	1,215	1,215				0	
3.	8		333,671	181,674	181,674				0	
4.	10		80,193	38,401	38,401				10,182	
5.	45		1,134						0	
6.	47		6,599,709	322,269	322,269				0	
7.	50		65,182	93,704	93,704				0	
8.	12		1,072	3,795	3,795				0	
		Totals	9,906,568	641,058	641,058				10,182	

	1 Class number * See note 1	Description	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 **minus** column 17)
	200						**224**	**212**	**213**	**215**	**217**	**220**
1.	1		223,711					4	0	0	8,948	214,763
2.	1		2,603,111		1,215	608		4	0	0	104,149	2,498,962
3.	8		515,345		181,674	90,837		20	0	0	121,236	394,109

	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
4.	10		108,412	10,182	28,219	14,110		30	0	0	36,757	71,655
5.	45		1,134					45	0	0	510	624
6.	47		6,921,978		322,269	161,135		8	0	0	566,649	6,355,329
7.	50		158,886		93,704	46,852		55	0	0	113,156	45,730
8.	12		4,867		3,795			100	0	0	4,867	
		Totals	10,537,444	10,182	630,876	313,542					956,272	9,581,172

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).

Canada Revenue Agency Agence du revenu du Canada

SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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.	TOWNSHIP OF WELLINGTON NORT		87307 3530 RC0001	1					

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	175,425		178,948	175,425	178,948
2						
	Reserves from Part 2 of Schedule 13					
	Totals	175,425		178,948	175,425	178,948

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.

Canada Revenue Agency Agence du revenu du Canada

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	WELLINGTON NORTH POWER INC.	86688 8522 RC0001	1	500,000	100.0000	500,000	
2	TOWNSHIP OF WELLINGTON NORTH	87307 3530 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.

Canada Revenue Agency / Agence du revenu du Canada

Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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	TOWNSHIP OF WELLINGTON NORTH	87307 3530 RC0001			96.790	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada

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
WELLINGTON NORTH POWER INC.	86688 8522 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

Taxable dividends paid in the tax year **not included** in Schedule 3 . . . . ______

Taxable dividends paid in the tax year **included** in Schedule 3 57,395

Total taxable dividends paid in the tax year **100** 57,395

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** ______ B

Excessive eligible dividend designation (line 150 **minus** line 160) . . . . . . ______ C

Deduct:

Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * . . . . **180** ______ D

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

Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E **multiplied** by 20 %) . . . . . **190** ______ F

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3 . . . . ______

Taxable dividends paid in the tax year **included** in Schedule 3 . . . . ______

Total taxable dividends paid in the tax year . . . . **200** ______

Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54) . . . . ______ G

Deduct:

Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * . . . . **280** ______ H

Subtotal (amount G **minus** amount H) ______ I

Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I **multiplied** by 20 %) . **290** ______ J

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to **www.cra.gc.ca/eligibledividends**.

Canada Revenue Agency Agence du revenu du Canada

Schedule 552

Ontario Apprenticeship Training Tax Credit

Corporation's name	Business number	Tax year-end Year Month Day
WELLINGTON NORTH POWER INC.	86688 8522 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
Jim Klujber	(519) 323-1710

Is the claim filed for an ATTC 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 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 ☒ 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 you are **not eligible** for the ATTC.

Part 3 – Specified percentage

Corporation's salaries and wages paid in the previous tax year * **300** 1,392,296

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	Kyle Schmidt

	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.	CH02053	2015-11-11	2019-01-01	2019-10-20

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.		292	4,000

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.		91,870	22,968

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.	4,000		4,000

Ontario apprenticeship training tax credit (total of amounts in column N) **500** 4,000 **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.

APPENDIX 4I M&V REPORT

Wellington North - Arthur and Mount Forest Street Lighting Project

M&V Analysis

Base Case

784 High Pressure Sodium Streetlights
of which 39 >250W, 747 < 250W
Lights operate on average 12h per day, 365 days per year

	Electricity (kWh)
Base Case	574,047
EE Case	164,666
Savings	**409,381**

EE Case

786 LED street lights (RFM-72W32LED4K-G2)
of which 39 are set at 100%, the rest are set at 50% and 75% of lumens
Lights operate on average 12h per day, 365 days per year

	Qty					
	289	490	3	2	**Theoretical kW**	**Annual kWh**
Base Case Wattage	130	188	457	1100	131	574,047
Hours						4380
EE Case Wattage	36.5	54.75	73	73	38	164,666

Compiled by: Brian Muscat TPF Energy Services brian.muscat@thepowerfactory.net