



Grimsby Power Inc.
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EB-2021-0027
Exhibit 4

EXHIBIT 4

OPERATING COSTS

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OPERATING COST OVERVIEW

This exhibit provides an overview of the operating costs that Grimsby Power Inc. (GPI) requires in order to cost-effectively and reliably serve its customers, while also achieving its strategic objectives and responding to regulatory and legislative requirements. The regulatory objectives and requirements for Local Distribution Companies (LDCs) are laid out in the OEB's Renewed Regulatory Framework for Electricity Distributors ("RRFE"). GPI's proposed operating costs align with the guidelines and policies of the RRFE.

This Application was prepared using actual financial results for 2016, 2017, 2018, 2019 and 2020 as well as forecasted budgets for 2021 Bridge Year and 2022 Test Year. GPI has followed Modified International Financial Reporting Standards (MIFRS) since 2012 and therefore, all financial information presented in the Application is in MIFRS format.

GPI confirms that in its 2021 Bridge Year and 2022 Test Year budgets, the utility has not made any assumptions or inclusions for expenses related to COVID-19. Certain COVID-19 related costs have been recorded in Account 1509 – Impact Arising from COVID-19 Emergency.

GPI's Capitalization Policy, Overhead Policy and Componentization of PP&E have not changed from those approved in GPI's 2016 Cost of Service Rate Application (EB-2015-0072). There are no adjustments for capitalization policy required for this application.

In preparation of this application and the costs that underpin it, GPI took careful consideration to ensure that these costs were both reasonable and prudent for the long-term sustainability of its assets. The following information includes audited financial data from 2016-2020 and forecasted budgets for 2021, the "Bridge Year" and 2022 "Test Year". All of the annual budgets were reviewed and approved by GPI's Board of Directors and align with the overall strategic plans and objectives as outlined in GPI's Business Plan. Prior to being approved by the Board of Directors, the annual budgets and expenditures were reviewed in detail by GPI's management to ensure they were prudent and cost-effective.

The following section details GPI's strategic goal of maintaining reliability while increasing its ability to respond to customer needs. The costs also include GPI's plans to ensure the knowledge and expertise required to manage the utility through staff turnover (e.g. voluntary, involuntary and demographic) are cost-effective and allow for sustainable stewardship of the utility in the coming decade.

GPI's OEB approved operating costs from 2016 and the 2022 Test Year proposed operating costs are summarized in Table 4-1 below. OM&A costs increase 27.55% in 2022 from the 2016 OEB approved OM&A. While these costs are described in more detail below, they represent the impact of inflation, necessary costs to respond to increased customer service requirements, the ongoing operation and maintenance of assets, and other changes in GPI's workforce. GPI is proposing to recover through distribution rates for the 2022 Test Year a total of \$5,895,347 for OM&A, Depreciation, Interest, Property Tax, LEAP and Income Tax (PILs – Payment in Lieu of Taxes) as per Table 4-1.

Table 4-1
Summary of Operating Costs
2016 Approved vs. 2022 Test Year

Description	2016 Board Approved	2022 Test Year	Variance \$	Variance %
Operations, Maintenance and Administration	3,134,546	3,998,267	863,721	27.55%
LEAP	7,528	8,485	957	12.71%
Property Tax	27,594	43,800	16,206	58.73%
Total Recoverable OM&A Expenses	3,169,668	4,050,552	880,884	27.79%
Depreciation	1,000,584	1,320,933	320,349	32.02%
PILs	36,311	268,205	231,894	638.63%
TOTAL	4,206,562	5,639,690	1,433,127	34.07%

LEAP payments are discussed in Exhibit 4 – Tab 7, Depreciation is discussed in Exhibit 4 - Tab 8 and PILS & Property Tax and PILS in Exhibit 4 -Tab 9.

Operations, Maintenance and Administration (OM&A) Test Year Levels

GPI's 2022 Test Year OM&A budget is \$3,998,267. The proposed OM&A level is \$458,303 or 12.95% higher than 2020 actuals and \$863,721 (27.55%) higher than the

2016 OEB approved amount. Main components of the increase are summarized in Table 4-2 below:

Table 4-2
Summary of OM&A Costs
2020 Actual - 2022 Test Year

OM&A	2020 Actual Year	2022 Test Year	Variance \$	Variance %
Operations	938,714	929,860	(8,854)	-0.94%
Maintenance	644,984	628,908	(16,077)	-2.49%
Billing and Collecting	585,847	719,553	133,706	22.82%
Administrative and General Expenses	1,370,419	1,719,947	349,528	25.51%
TOTAL	3,539,965	3,998,267	458,303	12.95%

Summary of OM&A Costs
2016 OEB Approved - 2022 Test Year

OM&A	2016 Board Approved	2022 Test Year	Variance \$	Variance %
Operations	699,287	929,860	230,573	32.97%
Maintenance	587,574	628,908	41,334	7.03%
Billing and Collecting	533,068	719,553	186,485	34.98%
Administrative and General Expenses	1,314,617	1,719,947	405,330	30.83%
TOTAL	3,134,546	3,998,267	863,721	27.55%

The associated cost drivers and significant changes that have occurred relative to historical and Test Year are as follows:

- Operations expenses have increased by \$230,573 from the 2016 Board Approved. The increase is due mainly to inflation in wages, increase in meter costs due to meter sampling and an increase in costs related to the Niagara West Municipal Transformer Station (NW MTS);
- Billing and collecting expenses increased by \$186,485 from the 2016 Board approved. The increase is attributable to the inflationary increase in wages and the movement of a part time position to a full time Senior Customer Representative. The Senior Customer Representative replaced the part time Cashier position;

- Administrative and General Expenses have increased by \$405,330 from the 2016 Board approved. Approximately 86% or \$350,037 of the 2022 Administration and General Expenses are related to two additional positions (Accounting Supervisor and IT/Communication Specialist) and the inflationary increase in wages over time.

OM&A costs in the 2022 Test Year reflect the execution of GPI's business plan, which includes funding for investments required to meet customer expectations and broader public policy requirements, including increased costs related to customer service and billing, infrastructure-related investments and costs to address an aging workforce and a high probability of retirements within the next 5 years.

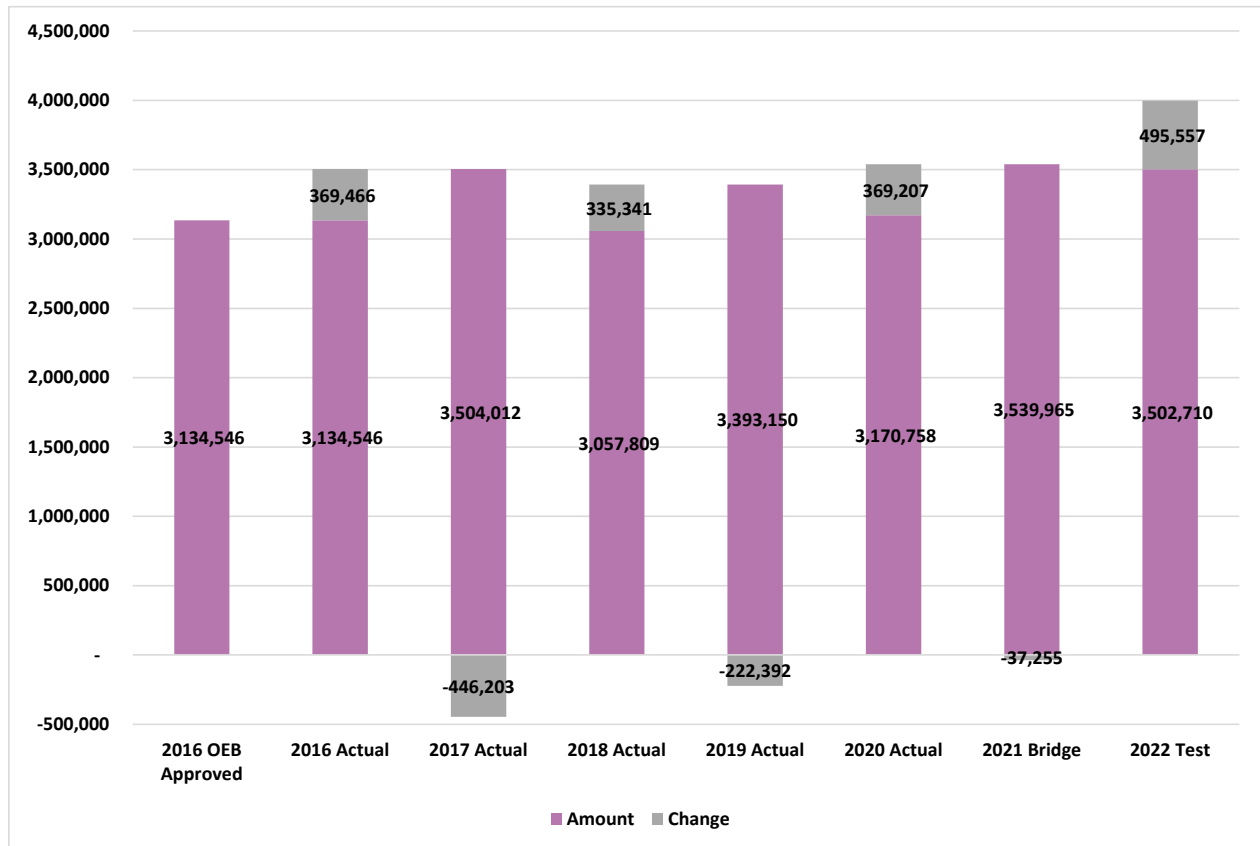
OM&A expenditures in the 2022 Test Year will enable GPI to provide reliable, safe service to its customers while maintaining the financial and physical health of the utility's assets going forward. The key drivers for cost increases are described in detail below. GPI has reviewed its spending plans to ensure they are prudent and provide value to both its current and future customers.

Table 4-3 - Year over Year Change illustrates the OM&A level for the 2016 Board approved, 2017, 2018, 2019, and 2020 Actuals, 2021 Bridge Year and 2022 Test Year.

Table 4-3
Year over Year Change in OM&A

	2016 Last Rebasing Year OEB Approved	2016 Last Rebasing Year Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year
Total OM&A	\$3,134,546	\$3,504,012	\$3,057,809	\$3,393,150	\$3,170,758	\$3,539,965	\$3,502,710	\$3,998,267
Year over Year Change in OM&A		\$ 369,466	\$ (446,203)	\$ 335,341	\$ (222,392)	\$ 369,207	\$ (37,255)	\$ 495,557

Figure 4-1
Year over Year Change in OM&A



GPI continues to prudently manage OM&A costs and based on the 2019 - Cost Performance Results published in the Pacific Economics Group (PEG) Report (dated August 2020) , GPI moved in 2019 from Group 2 to Group 1. As evidenced in the extract from Table 3(A) - Summary of Cost Benchmarking Results shown in the PEG Report, GPI continually performs better than predicted costs. As shown below, based on the three year composite measure for 2017 to 2019, GPI is currently operating at 28.1% below predicted costs and has demonstrated annual increase in productivity over the 2016 to 2019 period.

1 **Table 4-4**
2 **Extract of Table 3(A) – Summary of Cost Benchmarking Results**
3 **PEG Report (dated August 2020)**

Table 3 (A)

Summary of Cost Performance Results

	Cost Efficiency Assessment							Difference from 2016-2018
	2015	2016	2017	2018	2019	2016-2018	2017-2019	
Alectra Utilities Corporation	0.0%	-0.1%	4.1%	-0.8%	0.1%	1.1%	1.2%	0.1%
Algoma Power Inc.	70.6%	69.8%	68.9%	66.1%	64.3%	68.2%	66.4%	-1.8%
Atikokan Hydro Inc.	9.7%	11.9%	12.6%	9.6%	6.6%	11.3%	9.6%	-1.8%
Bluewater Power Distribution Corporation	0.8%	2.1%	4.0%	3.7%	0.3%	3.2%	2.7%	-0.6%
Brantford Power Inc.	-6.1%	-4.4%	-8.2%	-9.4%	-10.2%	-7.3%	-9.3%	-2.0%
Burlington Hydro Inc.	-10.3%	-11.1%	-11.9%	-13.9%	-11.7%	-12.3%	-12.5%	-0.2%
Canadian Niagara Power Inc.	13.0%	13.5%	11.2%	17.1%	15.6%	13.9%	14.6%	0.7%
Centre Wellington Hydro Ltd.	-1.2%	0.4%	1.0%	-0.3%	-1.1%	0.4%	-0.1%	-0.5%
Chapleau Public Utilities Corporation	23.9%	21.0%	17.0%	24.2%	25.4%	20.7%	22.2%	1.5%
Cooperative Hydro Embrun Inc.	-33.2%	-38.2%	-41.1%	-44.8%	-51.3%	-41.4%	-45.7%	-4.4%
E.L.K. Energy Inc.	-34.7%	-39.4%	-44.5%	-47.8%	-47.4%	-43.9%	-46.6%	-2.7%
Elxicon Energy Inc.	-2.7%	-1.7%	-2.8%	-5.5%	-1.0%	-3.3%	-3.1%	0.2%
Energy+ Inc.	-5.3%	-9.9%	-11.1%	-13.1%	-14.1%	-11.4%	-12.8%	-1.4%
Entegris Powerlines Inc.	-15.4%	-13.5%	-16.8%	-16.0%	-21.0%	-15.4%	-17.9%	-2.5%
ENWI Utilities Ltd.	9.9%	9.6%	5.3%	-2.7%	-10.1%	4.1%	-2.5%	-6.6%
EPCOR Electricity Distribution Ontario Inc.	-14.2%	-13.2%	-18.4%	-19.3%	-3.9%	-17.0%	-13.9%	3.1%
ERTH Power Corporation	11.9%	11.9%	11.2%	6.6%	1.3%	9.9%	6.4%	-3.5%
Espanola Regional Hydro Distribution Corporation	-20.4%	-20.9%	-23.1%	-24.8%	-17.2%	-22.9%	-21.7%	1.2%
Essex Powerlines Corporation	-13.5%	-14.3%	-14.1%	-12.3%	-19.2%	-13.6%	-15.2%	-1.6%
Festival Hydro Inc.	14.0%	13.4%	8.8%	10.8%	5.9%	11.0%	8.5%	-2.5%
Fort Frances Power Corporation	5.1%	6.8%	2.4%	-0.8%	-5.1%	2.8%	-1.2%	-4.0%
Greater Sudbury Hydro Inc.	8.0%	9.6%	7.1%	7.6%	5.1%	8.1%	6.6%	-1.5%
Grimsby Power Incorporated	-17.0%	-13.0%	-24.9%	-27.6%	-31.8%	-21.8%	-28.1%	-6.3%
Halton Hills Hydro Inc.	-28.2%	-27.5%	-28.4%	-29.2%	-30.3%	-28.4%	-29.3%	-0.9%
Hearst Power Distribution Company Limited	-7.4%	-21.3%	-20.1%	-21.3%	-28.7%	-20.9%	-23.4%	-2.5%
Hydro 2000 Inc.	-6.2%	-19.6%	-23.0%	-15.4%	-22.4%	-19.4%	-20.3%	-0.9%

5 Additionally, GPI has forecasted 2020, 2021 Bridge Year and 2022 Test Year Cost
6 Benchmarking as shown in the Table 4-5 - Summary of Cost Benchmarking Results. It
7 is important to note that even with the proposed 2022 Test Year cost increases, GPI is
8 forecasting to remain in Group 1 of the PEG report.

Table 4-5
Summary of Cost Benchmarking Results and Forecast

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	Actual	Actual	Actual	Actual	Actual	Bridge Year	Test Year	Forecast	Forecast	Forecast
Actual Total cost	6,827,296	6,352,193	6,747,285	6,909,837	6,892,119	7,120,570	7,596,465	7,803,176	8,005,653	8,205,050
Predicted Total Cost	7,771,667	8,151,863	8,896,103	9,491,981	9,830,741	10,520,072	11,071,849	11,744,655	12,442,339	13,166,677
Difference	(944,371)	(1,799,670)	(2,148,818)	(2,582,144)	(2,938,621)	(3,399,502)	(3,475,384)	(3,941,479)	(4,436,686)	(4,961,627)
Percent Difference	-13.0%	-24.9%	-27.6%	-31.8%	-35.5%	-39.0%	-37.7%	-40.9%	-44.1%	-47.3%
Three-Year Average Performance			-21.8%	-28.1%	-31.6%	-35.4%	-37.4%	-39.2%	-40.9%	-44.1%

- 4 Based on the Efficiency Assessment Benchmark GPI ranked 7th out of 59 utilities.
- 5 In the 2019/20 Yearbook of Electricity Distributors (issued August 13, 2020), GPI's
- 6 OM&A per customer unit cost of \$276.58 ranked 20th in the Province and is
- 7 approximately 18.3% lower than the average OM&A per customer cost of \$338.55.
- 8 A summary of OM&A changes from the 2016 OEB Approved level to the 2022 Test Year
- 9 is provided in Table 4-6.

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Table 4-6
Overall OM&A Cost Trends

OM&A	2016-2022
2016 Board Approved OM&A	\$ 3,134,545
Staffing Level Changes	281,051
Wages and Benefits Increase	298,525
Audit Service	27,545
Legal and Consulting Services	(16,275)
Regulatory Costs	17,278
IT & Cybersecurity	22,552
Building Maintenance and Utilities	1,231
Insurance	11,324
Customer Service Expenses	51,430
Meter Readings	16,326
Collection Expenses	3,910
Bad Debts Expenses	4,000
Niagara West MTS Operational and Maintenance Expenses	1,602
Meter Change and Verification	25,573
Vegetation Maintenance	17,164
Emergency Response	35,268
Cable Locates	14,029
Pole Maintenance/Replacement/Inspection	25,280
Join Pole Rentals	22,290
O/H and U/G Line Maintenance	14,827
Load Dispatch	23,389
GIS/SCADA/Eng. Design	10,488
Miscellaneous Items	(45,087)
2022 Test Year	\$ 3,998,267

3 The OM&A costs from 2016 Board Approved to 2022 increased a total of 27.55% or 4%
4 on average per year.

5 A more detailed analysis of these costs trends is provided in Exhibit 4 - Tab 2, as part
6 of the analysis of the cost drivers.



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

SUMMARY AND COST DRIVER TABLES

2.1 SUMMARY OF RECOVERABLE OM&A EXPENSES

The following Table 4-7 summarizes variances between OM&A expenses in the 2022 Test Year compared to the 2016 Board-approved rebasing year and actual expenses for the 2016 – 2020 time frame. OM&A expenditures in the 2022 rebasing year are 27.55% higher than the OEB-approved level in 2016 and 14.11% higher than actual 2016 expenditures. The compound annual growth rate in OM&A from 2016 Actual Year to the 2022 Test Year is 2.2%.

GPI's actual OM&A efficiency performance is below PEG's predicted total cost.

The following sections of this evidence provide a detailed explanation of the drivers for these cost increases.

1 **Table 4-7**
2 **Appendix 2-JA**
3 **Summary of Recoverable OM&A Expenses**
4 **2016 OEB Approved to 2022 Test Year**

	2016 Last Rebasing Year OEB Approved	2016 Last Rebasing Year Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Operations	\$ 699,287	\$ 786,475	\$ 800,624	\$ 876,797	\$ 831,139	\$ 938,714	\$ 940,797	\$ 929,860
Maintenance	\$ 587,574	\$ 661,048	\$ 497,770	\$ 624,703	\$ 640,714	\$ 644,984	\$ 534,030	\$ 628,908
SubTotal	\$1,286,861	\$1,447,522	\$ 1,298,393	\$1,501,500	\$1,471,854	\$1,583,698	\$1,474,827	\$1,558,767
%Change (year over year)		12.5%	-10.3%	15.6%	-2.0%	7.6%	-6.9%	5.7%
%Change (Test Year vs Last Rebasing Year - Actual)								7.7%
Billing and Collecting	\$ 533,068	\$ 590,853	\$ 587,960	\$ 739,770	\$ 488,201	\$ 585,847	\$ 671,341	\$ 719,553
Community Relations								
Administrative and General	\$1,314,617	\$1,465,636	\$ 1,171,456	\$1,151,879	\$1,210,703	\$1,370,419	\$1,356,542	\$1,719,947
SubTotal	\$1,847,685	\$2,056,490	\$ 1,759,415	\$1,891,650	\$1,698,904	\$1,956,266	\$2,027,883	\$2,439,500
%Change (year over year)		11.3%	-14.4%	7.5%	-10.2%	15.1%	3.7%	20.3%
%Change (Test Year vs Last Rebasing Year - Actual)								18.6%
Total	\$3,134,546	\$3,504,012	\$ 3,057,809	\$3,393,150	\$3,170,758	\$3,539,965	\$3,502,710	\$3,998,267
%Change (year over year)		11.8%	-12.7%	11.0%	-6.6%	11.6%	-1.1%	14.1%

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	2016 Last Rebasing Year OEB Approved	2016 Last Rebasing Year Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year
Operations	\$ 699,287	\$ 786,475	\$ 800,624	\$ 876,797	\$ 831,139	\$ 938,714	\$ 940,797	\$ 929,860
Maintenance	\$ 587,574	\$ 661,048	\$ 497,770	\$ 624,703	\$ 640,714	\$ 644,984	\$ 534,030	\$ 628,908
Billing and Collecting	\$ 533,068	\$ 590,853	\$ 587,960	\$ 739,770	\$ 488,201	\$ 585,847	\$ 671,341	\$ 719,553
Administrative and General	\$1,314,617	\$1,465,636	\$ 1,171,456	\$1,151,879	\$1,210,703	\$1,370,419	\$1,356,542	\$1,719,947
Total	\$3,134,546	\$3,504,012	\$ 3,057,809	\$3,393,150	\$3,170,758	\$3,539,965	\$3,502,710	\$3,998,267
%Change (year over year)		11.8%		11.0%	-6.6%	11.6%	-1.1%	14.1%

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1 **Table 4-7 (cont'd)**
2 **Appendix 2-JA**
3 **Summary of Recoverable OM&A Expenses**
4 **2016 OEB Approved to 2022 Test Year**

	Last Rebasing Year 2016 OEB Approved	Last Rebasing Year 2016 Actuals	Variance 2016 OEB Approved - 2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	Variance 2021 Bridge vs. 2020 Actuals	2022 Test Year	Variance 2022 Test vs. 2021 Bridge
Operations	\$ 699,287	\$ 786,475	\$ (87,188)	\$ 800,624	\$ 876,797	\$ 831,139	\$ 938,714	\$ 940,797	\$ 2,084	\$ 929,860	\$ (10,938)
Maintenance	\$ 587,574	\$ 661,048	\$ (73,474)	\$ 497,770	\$ 624,703	\$ 640,714	\$ 644,984	\$ 534,030	\$ (110,955)	\$ 628,908	\$ 94,878
Billing and Collecting	\$ 533,068	\$ 590,853	\$ (57,785)	\$ 587,960	\$ 739,770	\$ 488,201	\$ 585,847	\$ 671,341	\$ 85,493	\$ 719,553	\$ 48,212
Administrative and General	\$1,314,617	\$1,465,636	\$ (151,019)	\$1,171,456	\$1,151,879	\$1,210,703	\$1,370,419	\$1,356,542	\$ (13,877)	\$1,719,947	\$ 363,405
Total OM&A Expenses	\$3,134,546	\$3,504,012	\$ (369,466)	\$3,057,809	\$3,393,150	\$3,170,758	\$3,539,965	\$3,502,710	\$ (37,255)	\$3,998,267	\$ 495,557
Adjustments for Total non-recoverable items ³											
Total Recoverable OM&A Expenses	\$3,134,546	\$3,504,012	\$ (369,466)	\$3,057,809	\$3,393,150	\$3,170,758	\$3,539,965	\$3,502,710	\$ (37,255)	\$3,998,267	\$ 495,557
Variance from previous year				-\$ 446,203	\$ 335,341	-\$ 222,392	\$ 369,207	-\$ 37,255		\$ 495,557	
Percent change (year over year)				0%	11%	-7%	12%	-1%		14%	
Percent Change: Test year vs. Most Current Actual										12.95%	
Simple average of % variance for all years										5.83%	
Compound Annual Growth Rate for all years											2.2%
Compound Growth Rate (2020 vs. 2016 Actuals)											0.3%

OM&A Cost per Customer and Full-Time Equivalent

Table 4-8

Appendix 2-L

Recoverable OM&A Expenses per Customer and per FTE

2016 OEB Approved to 2022 Test Year

	Last Rebasing Year 2016 - OEB Approved	Last Rebasing Year 2016 - Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OM&A Costs								
O&M	\$ 1,286,861	\$ 1,447,522	\$ 1,298,393	\$ 1,501,500	\$ 1,471,854	\$ 1,583,698	\$ 1,474,827	\$ 1,558,767
Admin Expenses	\$ 1,847,685	\$ 2,056,490	\$ 1,759,415	\$ 1,891,650	\$ 1,698,904	\$ 1,956,266	\$ 2,027,883	\$ 2,439,500
Total Recoverable OM&A from Appendix 2-JB⁵	\$ 3,134,546	\$ 3,504,012	\$ 3,057,809	\$ 3,393,150	\$ 3,170,758	\$ 3,539,965	\$ 3,502,710	\$ 3,998,267
Number of Customers^{2,4}	14,011	13,858	13,955	14,170	14,318	14,423	14,592	14,945
Number of FTEs^{3,4}	17	18	16	17	17	15	18	21
Customers/FTEs	837	770	849	825	835	980	811	712
OM&A cost per customer								
O&M per customer	\$ 91.85	\$ 104.46	\$ 93.04	\$ 105.96	\$ 102.80	\$ 109.80	\$ 101.07	\$ 104.30
Admin per customer	\$ 131.87	\$ 148.40	\$ 126.08	\$ 133.50	\$ 118.66	\$ 135.64	\$ 138.97	\$ 163.23
Total OM&A per customer	\$ 223.72	\$ 252.86	\$ 219.12	\$ 239.46	\$ 221.46	\$ 245.44	\$ 240.04	\$ 267.54
OM&A cost per FTE								
O&M per FTE	\$76,919	\$80,463	\$79,016	\$87,449	\$85,872	\$107,661	\$81,935	\$74,227
Admin per FTE	\$110,441	\$114,313	\$107,072	\$110,172	\$99,119	\$132,989	\$112,660	\$116,167
Total OM&A per FTE	\$187,361	\$194,776	\$186,089	\$197,621	\$184,992	\$240,650	\$194,595	\$190,394

Table 4-8 – Recoverable OM&A Expenses per Customer and per FTE Equivalent (Chapter 2 Appendix 2-L) is a summary of the OM&A Cost per Average Customer and OM&A Cost per Average Full-Time Equivalent (FTE). The FTE number agrees with the numbers shown in the Compensation section. The number of customers is based on the annual average at year end and the forecast customer numbers for the 2021 and 2022.

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

2022 Test Year OM&A per customer is projected to be \$267.54 or 19.58% higher than 2016 Board Approved. The drivers for this increase are discussed in the Cost Drivers section.

2.2 COST DRIVERS

Consistent with the Board's Appendix 2-JB , Table 4-9 Recoverable OM&A Cost Driver Table provides a list of the cost drivers that affected GPI's OM&A year over year spending or, where the cost driver is a common or recurring expenditure that have impacted multiple years. The opening balance for the last rebasing year of \$3,134,545 represents the 2016 Board Approved OM&A, as described previously.

GPI's proposed OM&A of \$3,998,267 for the 2022 Test Year is \$494,255 or 14.11% higher than the 2016 Actuals of \$3,504,012 and \$863,722 or 27.55% higher than the 2016 Board Approved. GPI has provided the OM&A Cost Drivers using Board's Appendix 2-JB below:

Table 4-9
Appendix 2-JB
Recoverable OM&A Cost Driver Table
2016 OEB Approved to 2022 Test Year

OM&A	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year	2016-2022
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Opening Balance ²	\$ 3,134,545	\$ 3,504,012	\$ 3,057,809	\$ 3,393,150	\$ 3,170,758	\$ 3,539,965	\$ 3,502,710	\$3,134,545
Staffing Level Changes	141,894	(242,335)	75,229	(28,783)	(170,189)	178,210	327,025	281,051
Wages and Benefits Increase		41,047	47,263	46,300	44,714	70,865	48,337	298,525
Audit Service	22,500	(16,850)	(2,694)	26,392	(4,623)	1,200	1,620	27,545
Legal and Consulting Services	26,925	(60,232)	23,517	6,355	125,359	(137,188)	(1,010)	(16,275)
Regulatory Costs	14,445	1,407	(1,019)	2,248	(262)	(80,541)	81,000	17,278
IT & Cybersecurity	(20,012)	(24,466)	15,936	1,597	24,629	3,853	21,015	22,552
Building Maintenance and Utilities	28,064	(27,030)	(5,533)	783	10,382	2,685	(8,120)	1,231
Insurance	1,270	(2,197)	954	2,491	4,200	1,414	3,190	11,324
Customer Service Expenses	11,463	14,329	(8,501)	(15,139)	15,902	26,117	7,259	51,430
Meter Readings	(11,299)	3,864	8,924	2,205	13,789	(8,655)	7,498	16,326
Collection Expenses	5,209	(3,433)	(5,745)	4,359	(11,798)	16,982	(1,665)	3,910
Bad Debts Expenses	107	(3,141)	111,858	(214,544)	108,018	1,702		4,000
Niagara West MTS Operational and Maintenance Expenses	30,556	(71,406)	13,134	(24,574)	48,245	2,350	3,298	1,602
Meter Change and Verification	41,563	(13,136)	20,768	(52,419)	19,010	3,911	5,877	25,573
Vegetation Maintenance	43,907	(64,029)	(10,666)	36,856	(14,882)	(2,938)	28,916	17,164
Emergency Response	1,582	9,202	20,219	18,155	(6,075)	(5,418)	(2,397)	35,268
Cable Locates	1,986	13,245	(11,789)	(7,598)	24,643	(6,029)	(429)	14,029
Pole Maintenance/Replacement/Inspection	(1,577)	(1,226)	(9,808)	19,700	20,285	(5,594)	3,501	25,280
Join Pole Rentals	(9,364)	(707)	2,110	3,071	24,747	1,204	1,228	22,290
O/H and U/G Line Maintenance	31,725	10,299	13,058	(26,773)	8,376	(20,982)	(877)	14,827
Load Dispatch	9,832	10,831	5,746	(7,700)	18,857	(8,363)	(5,814)	23,389
GIS/SCADA/Eng Design	(19,988)	7,244	4,265	14,303	28,618	(36,941)	12,988	10,488
Miscellaneous Items	18,679	(27,482)	28,114	(29,675)	37,259	(35,098)	(36,884)	(45,087)
Closing Balance²	\$ 3,504,012	\$ 3,057,809	\$ 3,393,150	\$ 3,170,758	\$ 3,539,965	\$ 3,502,710	\$ 3,998,267	\$3,998,267

The following explanations detail the primary cost drivers for the change in GPI's OM&A expenditures since the last Cost of Service Application up to the 2022 Test Year.

Materiality Threshold for Variance Analysis

GPI's materiality threshold based on the OEB's criteria is \$50,000. A variance analysis of cost drivers exceeding the materiality threshold is presented below.

Key Cost Drivers and Significant Changes

Since its last rebasing in 2016, the main factors driving the changes in GPI's costs relate to:

Human Resource Requirements - \$ 579,577 (Staffing Level Changes and Wages and Benefits Increase)

Since 2016, wage increases, employee turnover and increased benefit costs have contributed to changes in the operating costs of GPI.

The main factors causing the increase in costs are related to Human Resources requirements and payroll:

- The need to deploy a comprehensive succession-planning program to provide for business continuity in the light of a significant number of retirements over the training horizon.
- The requirement for new FTEs to support the growth in GPI's customer base and to support government mandated initiatives such as the need to be more customer centric.
- Annual collective agreement wage adjustments, progression increases for union employees and merit and progression increases for non-union staff; increases in benefits costs for OMERS pension and group benefits including health and dental benefits.

Since GPI last rebased in 2016 FTEs have fluctuated. A significant number of employees retired or left the corporation: five (5) employees have retired and an additional

thirteen (13) employees left the corporation between GPI's last cost of service application and December 31, 2020. Of those 13 employees, five (5) employees left to join another utility, after full training at GPI during which they gained industry knowledge and experience. Also during this same time, GPI recruited and hired fifteen (15) new employees. These fluctuations had a material impact on GPI's OM&A costs. The high employee turnover rate also created pressure on the remaining employees that covered the vacant positions' duties.

Since the last rebasing in 2016, GPI reviewed the organization and made changes to the staff structure:

Management Changes \$17,179:

- In 2017 two-management positions, Director of Customer Accounts and the Financial and Regulatory Analyst, were amalgamated into one position, the Regulatory and Customer Accounts Supervisor. The revised job description includes the supervision and management of customer accounts and billing and fulfilling regulatory duties. The decrease in cost is partially offset by the new proposed Accounting Supervisor position;
- In 2021, the Engineering Supervision position was also eliminated. The decrease in cost is partially offset by the new proposed IT/Communication Specialist position.

Union Changes \$263,872:

- In 2017, the Storekeeper position changed from part time to full time;
- In 2017 GPI filled the vacant Engineering Technician position in the Engineering department;
- For the test year, a new Journeyman Apprentice is added to GPI's staff.
- In 2018 Cashier position was eliminated and the duties were absorbed by the Senior Customer Accounts Representative;

1 GPI is among the top 7 of 59 Local Distribution Companies in Ontario based on the
2 performance documented in the 2020 PEG Report. This reflects the ability of the current
3 leadership team to effectively set priorities, meet regulatory obligations, motivate their
4 team and deliver OEB-approved or GPI-Board approved targets with limited support
5 team resources. Although the historical performance has been impressive, in response
6 to efficiency achieved, being in Group 1, the organization needs to increase its staff
7 complement to meet future challenges.

8 Top-level GPI roles will require people with high-to-low and side-to-side flexibility and
9 capabilities. As GPI is a small utility, its employees often undertake tasks and operations
10 that are handled by multiple employees and divisions at larger utilities. It is one of the
11 reasons why it is more difficult for a small utility to attract and retain skilled and
12 knowledgeable employees.

13 The GPI executive challenges of managing broad accountabilities and dealing with high
14 level to low-level tasks of senior level positions are inherent with the size of the
15 organization and therefore will remain in the short and long term.

16 In 2021, GPI hired a Director of Engineering and Operations, and further plans to hire
17 an Accounting Supervisor.

18 A cost increase will also occur as a result of moving the Senior Customer Accounts
19 Representative position from a part time to full time position.

20 In relation to planning for retirements, GPI's succession plan also identified the need
21 for an additional position required to meet business objectives. In support of resource
22 development to adequately operate and maintain the distribution system, GPI has
23 proposed the addition of a Journeyman Lineman Apprentice. This is especially important
24 with the Journeyman Lineman positions where training and distribution system
25 familiarity lasts 4-5 years in the apprenticeship period to reach the skills of a fully
26 competent and skilled Journeyman Lineman.

27 The need and costs related to each of these positions is described in detail below.

1 Accounting Supervisor

2 The current structure of GPI results in the Director of Finance having to undertake and
3 oversee a number of operational and routine tasks that distracts from overseeing more
4 strategic activities for the utility. The Director of Finance can now focus more on
5 strategic functions that can deliver overall value to GPI's customers, including:

- 6 • addressing utility-wide cost drivers to ensure they are prudent and
7 unavoidable to the greatest extent possible;
- 8 • managing the utility's cash flow;
- 9 • overseeing departmental budgets and the budgeting process in an effort
10 to provide a utility-wide consistency on strategy and utility best-practice;
- 11 • ensuring the rate application properly aligns with GPI's goals and
12 direction from the OEB;
- 13 • overseeing the collective bargaining process;
- 14 • ensuring adequate and accurate financial reporting;
- 15 • understanding the financial impact of proposed regulatory changes and
16 how these changes will impact the operations of the utility.

17 In other words, the Director of Finance should have more of an oversight and strategic
18 function, oversees the financial integrity and strategy of GPI, as opposed to a task-
19 driven function. Under the current organization structure, the Director of Finance is
20 often involved in actively managing and completing many of the routine tasks of the
21 utility and supervision of employees' day-to-day activities and spends less time in the
22 strategical, planning and budgeting area and reporting to the OEB and GPI Boards.

23 To allow the Director of Finance to focus on the financial strategy of GPI, it is creating
24 the role of Accounting Supervisor. The Accounting Supervisor main duties that are shift
25 from the Director of Finance are:

- oversees accounting operations, financial processing, and financial systems;
- prepares for and leads the year end audit process with auditors and assumes the responsibility for financial controls;
- prepares financial statements and reports for management;
- ensures regular reconciliation of balance sheet and income statement;
- prepares or reviews all journal entries;
- process payroll, pension and statutory requirements ;
- oversee accounts payable and accounts receivable to ensure vendors are paid accurately and on time;

This position would relieve the Director of Finance of many of the daily routine tasks associated with accounts, payroll and financial reporting.

The Accounting Supervisor will take over all day-to-day accounting functions currently performed by the Director of Finance. The Accounting Supervisor will also be responsible for reviewing all financial information.

Continued demands from the Ontario Energy Board, Ministry of Finance, Ministry of Energy Northern Development and Mines and the IESO will also create additional financial and accounting requirements and oversight. The additional resource will allow GPI to more accurately respond to the financial impact of legislative and regulatory changes, while not unduly impacting the day-to-day operations of the utility.

Senior Customer Service Representative

The customer accounts team consists of 2 ½ FTE's. This structure has been in existence since prior to the restructuring of the electricity sector in the early 2000's. Since this time, GPI's customer count has increased from 7,268 in January 1999 to the projected customer count of more than 12,000 – an increase of more than 60%. In recent years, the OEB has increasingly focused on the customer service performance of LDCs. The

1 combination of an increase in the total number of customers and the growing need for
2 more detailed information has stretched GPI's ability to provide the level of customer
3 service required by its customers.

4 Further analysis of the activity from 2019 indicates a continued increase in activity in
5 the following areas:

- 6 • Collection Activity – With a shorter disconnection period, it is important to focus
7 on collection activities outside of the disconnection process from November to
8 April. That process requires more phone calls and letters being sent out to
9 customers. For winter months, GPI introduced the addition of a Customer
10 Accounts Representative (CAR) call to customers in arrears. The call from a
11 CAR, in lieu of an automated call, is used to try to reach customers in need of
12 arrangements.
- 13 • Move Out/In Activity – The presence numerous rental properties in the Town of
14 Grimsby increases the complexity and number of move in/outs. Currently
15 approximately 16% of service addresses in Grimsby are rentals. Often CAR's
16 need to make multiple calls to both landlord's and tenants.
- 17 • Correspondence – Customers are increasingly using email as a means of
18 communication. Email is a great form of communication however; it takes more
19 time to respond to customer inquiries.
- 20 • Phone Calls – Since 2016, there has been an average of 7,400 phone calls to
21 GPI's customer accounts phone line each year. The number of calls on a yearly
22 basis does fluctuate but we do find that customer inquiries are becoming more
23 complex. As customers continue to navigate the different options available to
24 them, including tiered or TOU pricing, customer phone calls are becoming longer
25 in duration.
- 26 • New Services – The number of new services remains relatively consistent.

1 In addition to these existing services noted, additional work is required to track final
2 collection notices and act as a helpdesk to those customers using e-billing and
3 consumption portal product.

4 **Journeyman Lineman Apprentice**

5 GPI has four (4) Journeyman Lineman positions. Through careful planning GPI has
6 recognized the need to build an experienced workforce ahead in order to ensure proper
7 training, knowledge transfer to ensure the company operates effectively and efficiently,
8 while maintaining safety at all times. By hiring a Journeyman Lineman Apprentice GPI
9 will have an ability to optimize its work execution, as it will have enough Linemen to
10 consistently have two crews at all times and in the same time have an ability to have
11 one Lineman on the Service Truck when needed. With the current Linemen complement
12 whenever there is an unplanned event, GPI needs to break down the crews and
13 interrupt progress of the capital work. Being able to have a dedicated crew for execution
14 of the capital work is a benefit that GPI plans to utilize with an addition of this new
15 employee.

16 GPI has strategically hired Lineman so that their years of service are spread over long
17 period in the continuity. Current Linemen have various experience levels. In 2020, the
18 most senior Lineman retired as planned. Within Operations, the most senior staff
19 member is a member of the Management staff who is eligible to retire within 5 years.
20 If that occurs, it may open up a role for the most senior Lineman. In the same time, as
21 part of the adequate succession planning for Linemen, Grimsby Power needs to ensure
22 that there is an adequate plan for unexpected events such as unplanned sick time or
23 decision of any Linemen to change an employer and move to another utility. In an effort
24 for GPI to sustain continuity in service, hiring of Journeyman Lineman Apprentice is
25 something that is required. This is especially important with the Journeyman Lineman
26 positions where training lasts 4-5 years in the apprenticeship period and same time is
27 required to reach a fully competent and skilled Journeyman Lineman level.

28 Also by hiring a Journeyman Lineman Apprentice GPI will have an ability to optimize its
29 work execution, as it will have enough Linemen to fill two crews at all times and in the
30 same time have an ability to have one Lineman on the Service Truck when needed.

1 This is an additional benefit that GPI plans to utilize with an addition of this new
2 employee.

3 It has been GPI's experience and the experience of the Management team that hiring
4 apprentices achieve better retention of the Lines trade. Hiring of tradesman with
5 Journeyman status is difficult as those trades are in demand. In addition, any new
6 Journeyman that has not worked on GPI's distribution system will need time to get
7 familiarized with the overall distribution system compared to somebody who has been
8 trained from the beginning of the career on Grimsby's electrical distribution system.

9 Over the rate period from 2022 to 2026, this new apprentice would move along the
10 learning continuum and from apprentice to Journeyman. With the current group of
11 Linemen GPI is not foreseeing any retirements over this rate cycle.

12 **IT Systems & Communication Specialist**

13 Like other sectors, technology is playing an increasingly vital role in the utility sector.
14 Increased use of automation, different communication networks, and the use of
15 wireless networks, data flows, hand-held electronic devices and the internet of things
16 have created IT related threats that have not been considered in the past. As well, the
17 growing demand for real-time data exchange between entities within the province has
18 increased the risk of cyber-attacks. Like many other utilities, GPI has implemented
19 various IT systems to optimize its work and increase productivity across all lines of
20 business. These IT systems require ongoing maintenance. More importantly, they
21 require the knowledge and support of the IT professionals to ensure they are effectively
22 integrated and used to the fullest capacity. GPI has previously utilized various IT
23 support contractors to perform daily IT tasks. These support services are limited to the
24 maintenance of these systems. With introduction of more IT systems, there is more
25 demand for IT support. With the introduction of utility-specific IT systems, integrating
26 those IT systems/networks to regular IT networks is complex. As a result of all of these
27 factors, GPI is planning to add an IT System & Communication Specialist.

28 The risk of security breaches and exposure to cyber-attacks within the energy sector
29 has grown substantially with the implementation of Smart Grids, Smart Metering and
30 Self-Generation. In early 2021 GPI conducted IT Security Assessment by a third party

1 IT vendor. This assessment identified certain IT issues that Grimsby Power needs to
2 address in effort to improve its' cyber security readiness. With integration of IT systems
3 with those of power systems networks importance of cybersecurity is even more
4 enhanced. Utilities are being proactive to ensure their systems and operations are
5 resilient to cyber attacks. An IT System & Communication Specialist will add value to
6 GPI in the successful implementation of required IT systems to protect against such
7 threats.

8 Another important aspect of this role is tied to the effective communication role that
9 GPI needs to fulfill. GPI is customer-oriented utility and GPI customers have identified
10 the need for ongoing and effective communication, especially during unplanned
11 outages. GPI has been effective in utilizing existing management staff to provide as
12 much communication as possible. That approach has limited capabilities because there
13 is much more that can be done on enhancing communication so that it is more effective,
14 regular and impactful. GPI currently utilizes its' website, Twitter (only during unplanned
15 outages), various forms of meetings with customers/stakeholders for external
16 messaging. With the IT System & Communication Specialist GPI plans to enhance its'
17 communication effectiveness. Utilization of Twitter for messaging on promotion of
18 safety or best utility practices are just some of the examples how this role would provide
19 value to GPI and its' customers. It is also important to note that with the new
20 condominium developments in GPI's service territory demand for more consistent and
21 quick interactions will be even more enhanced because that new customer base is very
22 much used to communication platforms such as Twitter.

23 ***Regulatory Costs \$81,000***

24 GPI's regulatory costs consist mainly of the OEB Annual Assessment, OEB Section 30
25 Cost and Amortization of Cost of Service Application.

26 These costs are required in order to meet all regulatory reporting requirements and
27 reviewing and responding to changing policies, legislation and OEB requirements. The
28 2022 Cost of Service Application specifically will incur a material amount of costs from
29 its preparation, review, responses to interrogatories and OEB procedural requirements.
30 GPI is proposing to recover one-time costs of \$400,000 over a five-year period, which



1 means over the Test Year and subsequent IRM term (2023 to 2026). The proposed
2 annual one-time cost to be expensed is \$80,000.

3 **Capitalized Overhead**

4 GPI Capitalization Overhead calculation has not changed from those approved in GPI's
5 2016 Cost of Service Application EB -2015-0072. There are no adjustments required for
6 this application.

7 Table 4-10, Appendix 2-D Overhead Expense provides a breakdown of OM&A before
8 capitalization. In any given year the percentage of OM&A that is capitalized is
9 dependent where GPI's Line staff spends either their working hours – on capital work
10 or OM&A work. The allocation percentage for Lineman Expenses (capital vs. OM&A) is
11 calculated by taking the sum total of hours for the Lines staff booked to capital and
12 OM&A and deriving the percentage split between the two. For example if Lines staff
13 booked 1000 hours to capital and 1000 hours to OM&A the percentage split used to
14 allocate the expense would be 50% capital and 50% OM&A.

15 The same logic is used to calculate the Truck Expenses by utilizing booked truck hours.
16 The percentage of OM&A capitalized varies from a low in 2021 of 38.85% to a high of
17 54.46% in 2019. This range reflects the actual work performed in any given year.

18 **Table 4-10**
19 **Appendix 2-D**
20 **Overhead Expense**
21 **2017 Actual to 2022 Test Year**

OM&A Before Capitalization	2017 Historical Year	2018 Historical Year	2019 Historical Year	2020 Historical Year	2021 Bridge Year	2022 Test Year
Lineman's Expenses	\$ 187,584	\$ 211,392	\$ 208,068	\$ 197,992	\$ 197,696	\$ 236,646
Truck Expenses	\$ 98,872	\$ 142,765	\$ 149,032	\$ 173,812	\$ 189,497	\$ 192,610
Total OM&A Before Capitalization (B)	\$ 286,456	\$ 354,157	\$ 357,100	\$ 371,805	\$ 387,193	\$ 429,256



Table 4-10 (cont.)
Appendix 2-D
Overhead Expense
2017 Actual to 2022 Test Year

Capitalized OM&A	2017 Historical Year	2018 Historical Year	2019 Historical Year	2020 Historical Year	2021 Bridge Year	2022 Test Year	Directly Attributable? (Yes/No)
Employee Benefits	\$ 62,924	\$ 94,217	\$ 109,137	\$ 83,672	\$ 79,296	\$ 113,722	Yes
costs of site preparation							
Fleet Cost	\$ 51,483	\$ 71,675	\$ 85,335	\$ 68,255	\$ 71,146	\$ 58,498	Yes
costs of testing whether the asset is functioning properly							
professional fees							
costs of opening a new facility							
costs of introducing a new product or service (including costs of advertising and promotional activities)							
costs of conducting business in a new location or with a new class of customer (including costs of staff training)							
administration and other general overhead costs							
Insert description of additional item(s) and new rows if needed							
Total Capitalized OM&A (A)	\$ 114,406	\$ 165,892	\$ 194,473	\$ 151,927	\$ 150,442	\$ 172,220	
% of Capitalized OM&A (=A/B)	39.94%	46.84%	54.46%	40.86%	38.85%	40.12%	

OM&A PROGRAM DELIVERY COSTS WITH VARIANCE ANALYSIS

3.1 INTRODUCTION

OM&A costs in 2022 represent GPI's integrated set of asset maintenance and customer activities required to meet public and employees' safety objectives; to comply with the Distribution System Code (DSC), environmental requirements and government direction(s); and to maintain the quality and reliability of GPI's distribution assets at or exceeding historic levels. OM&A costs also include expenditures required to provide services to customers connected to GPI's distribution system and to meet the requirements of the OEB's Standard Supply Service Code and Retail Settlement Code.

Each of the categories of OM&A are discussed in more detail in the following section. As noted previously, Grimsby Power has reviewed each of the operating cost categories to ensure they provide value to its customers and ensure the long-term sustainability and reliability of its assets. For each category, the increase in the Test year from the last cost application is:

- **Customer Focus:** Costs related to customer focus increased by \$167,804 during that time period, or 36.1%;
- **Operational Effectiveness:** Costs related to operational effectiveness increased by \$514,494 during that time period, or about 23.5%;
- **Public and Regulatory Responsiveness:** Costs related to public and regulatory responsiveness increased by \$181,423 during that period, or 38.0%.

3.2 OVERVIEW

The proposed OM&A expenditures for the 2022 Test Year are the result of a business planning and work prioritization process that ensures that the most appropriate, cost-effective solutions are implemented. In accordance with the Filing Requirements, GPI has completed Appendix 2-JC. The categorization has been based on the RRFE

1 categories: Customer Focus, Operational Effectiveness, Public, and Regulatory
2 Responsiveness.

3 Table 4-11 - OEB Appendix 2-JC – OM&A Programs Table below, provides a summary
4 of the programs of the 2016 Board Approved to 2022 Forecasted Test Year, by Program.

5 **Table 4-11**
6 **Appendix 2-JC OM&A Programs Table**
7 **2016 OEB Approved to 2022 Test Year**

Programs	Last Rebasing Year (2016 OEB- Approved)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB- Approved))
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
CUSTOMER FOCUS										
Customer Service and Billing	421,148	483,121	482,948	512,096	476,267	479,373	544,674	584,409	105,036	163,261
Bad Debts and Collections	43,776	45,726	39,151	145,265	(64,920)	31,301	49,984	48,320	17,019	4,543
Sub-Total	464,924	528,847	522,099	657,361	411,347	510,674	594,659	632,728	122,055	167,804
OPERATIONAL EFFECTIVENESS										
Supervision & Engineering	443,516	418,551	469,685	507,716	476,039	451,367	273,904	247,875	(203,492)	(195,641)
Transformer Station Niagara West MTS	201,983	267,810	206,459	241,617	202,859	266,641	246,869	276,748	10,107	74,764
Meter Reading and Operation	221,951	273,438	259,083	303,402	230,438	289,160	327,589	326,534	37,374	104,583
Overhead Services	189,110	224,802	167,512	230,988	287,853	308,558	297,816	321,026	12,468	131,916
Underground Services	122,634	136,552	141,866	133,376	97,933	162,185	143,752	149,155	(13,030)	26,521
Vegetation Maintenance	66,137	128,629	64,645	60,753	91,044	71,515	71,912	98,128	26,613	31,991
Administration and Financial	871,123	911,383	698,074	711,592	723,500	786,434	978,185	1,184,655	398,220	313,532
Building Maintenance and Utilities	75,741	97,518	79,581	105,002	102,470	99,843	97,076	102,568	2,726	26,827
Sub-Total	2,192,194	2,458,683	2,086,905	2,294,446	2,212,134	2,435,702	2,437,104	2,706,688	270,986	514,494
PUBLIC AND REGULATORY RESPONSIVENESS										
Professional Services	108,654	146,738	68,193	68,221	145,678	141,110	104,395	125,005	(16,105)	16,351
Information Technology	78,711	86,133	65,781	87,118	114,173	146,296	132,180	216,231	69,935	137,520
General Expenses and Advertising	163,844	141,676	173,686	144,925	141,605	156,426	163,742	162,794	6,368	(1,050)
Regulatory Costs	95,922	110,367	111,774	110,755	113,003	112,741	32,200	113,200	459	17,278
Insurance	30,297	31,568	29,371	30,325	32,817	37,017	38,430	41,621	4,604	11,324
Sub-Total	477,427	516,482	448,805	441,343	547,276	593,589	470,948	658,851	65,262	181,423
Total OM&A	3,134,545	3,504,012	3,057,809	3,393,150	3,170,758	3,539,965	3,502,710	3,998,267	458,303	863,722

9 Table 4-11 provides a variance analysis between the 2022 Test Year and 2016 Board-
10 Approved and the 2020 actuals (most recent). In accordance with Chapter 2 Filing
11 Requirements, GPI's materiality threshold is \$50,000, as it is a distributor with a
12 revenue requirement that is less than or equal to \$10 million.

13 *Program Descriptions*

14 Details of each program including Customer Focus, Operational Effectiveness and Public
15 and Regulatory Responsiveness are further described in the commentary below.

3.3 CUSTOMER FOCUS

- ***Customer Service and Billing***

- The Customer Accounts Department is responsible for the customer care activities of GPI's customers. These activities include meter reading, billing, call centre, payment processing, move-in move-out requests, retailer settlement functions, processing meter change requests and other office functions.

- GPI has experienced an increase in annual call volumes as a result of increased new customer connections, an increase in collection activity, and an increase in move-in/move-out activity. The Customer Accounts Department staff are responsible for handling day-to-day inquiries, and responding to numerous questions relating to regulatory policy, pricing and consumption inquiries. The Customer Service and Billing department includes labour costs for the following positions: two Customer Accounts Representatives, a Senior Customer Representative, Accounting and Settlement Clerk (partial), Regulatory and Customer Accounts Supervisor (partial) and the Storekeeper time for the bank deposits.

- ***Bad Debts and Collections***

- When GPI has exhausted all efforts to collect overdue amounts from customers these amounts are written off as a "bad debt".

- Due to customer service rule requirements more focus is needed by the Customer Accounts Department. An increase in rules means staff spend more time evaluating each account and more time with customers to provide effective solutions for bill payment. The increased amount of time spent on collections increases the cost.

- Collection costs include the cost of labour and expenses related to customer accounts that are past due and in arrears. Customer accounts staff make arrangements with customers, offer information about programs that help reduce the electricity bill and direct customers to the local agency that

administers the LEAP program and provides information and assistance with the Ontario Electricity Support Program.

3.4 OPERATIONAL EFFECTIVENESS

- ***Supervision & Engineering***

Distribution Operations includes the cost of labour and expenses incurred in the general supervision and direction of the operation and maintenance of the distribution system. For GPI, this includes the supervisory labour costs for Operations and Engineering. The Operations and Engineering Supervisor is responsible for the implementation of the Distribution System Plan and the annual capital budget. In an effort to optimize its costs within this cost category GPI has eliminated the need for the Engineering Supervisor and embedded most of the accountabilities of that role to the newly defined role of Director of Engineering and Operations.

- ***Transformer Station - Niagara West MTS***

In 2015, GPI amalgamated with its affiliate the Niagara West Transformation Corporation and became the owner of the Niagara West Municipal Transformation Station (NW MTS). The NWMTS is a 66MVA 230kV to 27.6kV transformer station and the costs to operate the NW MTS are included in GPI's annual expenses. These expenses include the cost of labour, materials and expenses for the on-going operation of the station to ensure that the station can operate effectively and reliably. Operations with respect to NW MTS are currently contracted to third-party service providers. GPI's intent is to slowly migrate some of these services to GPI staff as training and knowledge of the station is increased.

Expenditures also include expenses associated with the maintenance of NW MTS transformer station. The maintenance program includes ultrasonic surveys, thermographic inspection, mechanical inspection, electrical inspection, tap changer inspection, insulating fluid analysis, switchgear cleaning and testing, 230kV inspection and cleaning, relay setting verifications, and DC battery bank

1 inspection and testing, ongoing station monitoring and visual inspections,
2 general station up keeping and maintenance of high voltage and P&C etc.

3 • ***Meter Reading and Operation***

4 The Engineering Department is responsible for the installation, testing, sampling
5 and commissioning of existing and new, simple (e.g. residential smart meters)
6 and complex metering installations (e.g. wholesale primary metering points).
7 This includes the operation and support of GPI's Automated Meter Infrastructure
8 (AMI) smart meter system. Metering operations contains the reverifications to
9 meet regulatory requirements and ensure the accuracy of the installation for
10 revenue billing requirements. As part of the metering operation, engineering is
11 also responsible for the investigation of any potential alteration and/or theft of
12 power that may give rise to unsafe conditions or the risk of other customers
13 being held financially responsible for costs. GPI is also using power fail signals
14 from smart meters for more effective outage detection and ultimately faster
15 outage response.

16 Also included in this program are third party costs to electronically read smart
17 meters and interval meters.

18 • ***Overhead Services***

19 A significant portion of GPI's distribution system includes overhead lines. The
20 entire overhead system is inspected annually on a rotational basis and includes
21 infrared thermography/ultrasonic scanning where required and pole testing.
22 Ultrasound inspection has proven to be an excellent tool to identify current
23 leakage on insulators. The purpose of the ultrasound inspections is to identify
24 any issues and remediate them as quickly as possible to ensure continuous
25 operation of the distribution system.

26 Maintenance of overhead conductors includes primary and secondary services.
27 GPI continuously inspects and monitors its poles and fixtures to assess their
28 condition and need for repair or replacement. As part of that inspection process,
29 some components are identified for maintenance work. In addition to minor

1 component replacement, regular maintenance is undertaken to ensure assets
2 remain in good working order and reliably meet customer needs.

3 Transformers and other main overhead equipment are examined as part of the
4 inspection program and where issues are identified, repairs are made on site or
5 equipment is scheduled for replacement.

6 • ***Underground Services***

7 Maintenance of the underground system includes the cleaning of pad mounted
8 switchgear and the repair of secondary “burn offs” where underground service
9 conductors have faulted and require excavation to expose the problem area and
10 repair. As for overhead equipment, entry point of underground services of the
11 entire underground system are inspected annually on a rotational basis. GPI has
12 introduced a primary cable-testing program that is a good add on to ongoing
13 maintenance activities of underground services infrastructure that GPI is
14 continuously following.

15 • ***Vegetation Maintenance***

16 The purpose of this program is to clear all lines from the encroachment of trees
17 and branches to reduce tree contacts with lines. This is a major contributor to
18 improved reliability.

19 This program covers the cost of internal labour related to tree trimming required
20 as part of the unplanned overhead maintenance work and the annual tree
21 trimming program, which is contracted out to a third party. The majority of the
22 expenses relate to the cyclical tree-trimming program. Expenses can vary from
23 year to year based on the area that is being targeted for tree trimming and
24 inspection.

25 • ***Administration and Financial***

26 The program includes costs incurred in the administration, regulatory and HR
27 areas. It includes the salaries and other related costs of the President and CEO,
28 Director of Finance, Director of Engineering and Operations, Executive Assistant,

Accounting Supervisor, Accounting Assistant, Storekeeper, Regulatory and Customer Accounts Supervisor, (partial) and Accounting and Settlement Clerk (partial).

The executive members are responsible for strategic and financial leadership of GPI.

The Finance department is responsible for financial statements, annual capital and operating budgets, borrowing and cash management and tax compliance.

The Regulatory and Customer Accounts Supervisor is responsible for preparing all IRM Applications, and Cost of Service Application, RRR filling, monitor and implement the regulatory requirements. This position is also responsible for on ongoing supervision of the customer accounts department including integrating regulatory changes into the CIS system. The Regulatory and Customer Accounts Supervisor reports to the Director of Finance.

The Executive Assistant is responsible for policy development and human resource records. Other responsibilities include employee files, labour relations and compensation and benefit administration.

The Storekeeper is responsible for all related stores activities.

- ***Building Maintenance and Utilities***

Building maintenance expenditures are required for repair and upkeep of the office building, parking lot and the garage/stores area. Expenses include utility bills, cleaning services, landscaping and snowplowing, waste removal, fire monitoring, security monitoring, building supplies, pest control and building maintenance.

3.5 PUBLIC AND REGULATORY RESPONSIVENESS

- **Professional Services**

GPI utilizes the services of third parties to provide expert advice on a wide range of issues including legal services, regulatory matters, recruitment and auditing services.

Use of Recruiting and Talent Search Specialists

The use of third party recruiters to assist with the identification of good candidates to fill vacant positions at GPI.

Audit Services

In 2018, the work performed by the external audit firm was evaluated and it was decided to put a request for proposal. There were five responses to the RFP bid and GPI selected KPMG to perform the audit and report on corporate tax beginning with the 2019 tax year.

Legal Services

Legal costs are primarily related to personnel matters.

Customer Surveys

GPI performs a number of customer surveys on a regular basis. This includes a customer satisfaction survey and a public awareness of electrical safety survey. Beginning in 2016, these surveys were conducted every other year by a third party service provider that has the expertise to deliver statistically valid survey results.

- **Information Technology**

The risk of security breaches and exposure to cyber-attacks within the electrical energy sector has grown substantially with the implementation of Smart Grids, Smart Metering and Self-Generation. Increased use of automation, different

1 communication networks, and the use of wireless networks, data flows, hand-
2 held electronic devices and the internet have created IT related threats that
3 have not been considered in the past. As well, the growing demand for real-time
4 data exchange between entities within the province, to support business units
5 have resulted in increased cyber security risks to Ontario's energy sector. In
6 December 2017, the OEB issued its Ontario Cyber Security Framework with the
7 objective to increase security and privacy in LDC's, with the overall goal of
8 reducing cyber risk and improving service resilience. Furthermore, in 2018 OEB
9 issued a Notice of Amendments to the Distribution System Code, which
10 established regulatory requirements for licenced distributors to provide the OEB
11 with information on the actions they are taking relative to their cyber security
12 risks. Over the past five (5) years, there have been significant changes and
13 advancements in Information Technology (IT) and Cybersecurity. Organizations
14 in all sectors of business have become more aware of cyber threats and have
15 continued to augment precautions to protect customer's personal information
16 and data.

17 For the 2022, Test Year GPI's proposal is to add a new position responsible for
18 this area – an IT System and Communication Specialist.

19 The IT System and Communication Specialist will bring some much-needed in
20 house knowledge and focus to the overall health and maintenance of all
21 networks including telecommunication, network administration, and
22 hardware/software, backup/recovery and cybersecurity operations.

- 23 • Day-to-day management and new implementation projects of all networks;
- 24 • Maintaining network performance by performing network monitoring and
25 analysis, and performance tuning; troubleshooting network problems and
26 escalating problems as needed;
- 27 • Shifting IT and telephone network responsibilities to the Information
28 Technology Department by having in-house expertise to solve technical
29 issues and develop secure and reliable networks thus benefitting System
30 Planning and Billing/Customer Service departments;

- 1 • Cybersecurity security breaches and exposure to cyber-attacks has grown
2 substantially with the implementation and increased use of automation,
3 different communication networks, and the use of wireless networks, data
4 flows, and hand-held electronic devices. The internet have created IT related
5 threats that have not been considered in the past. Without the new IT
6 analyst position, GPI will continue to pull existing staff off their regularly
7 scheduled tasks to work as a team to support existing systems and rely on
8 external vendors to implement new technologies. The increased cost with
9 the new position is partially offset by the reduction in external vendor costs.

10 • ***General Expenses and Advertising***

11 These expenses include expenses incurred for the general administration of
12 GPI's operations including such items as communication services, office supplies
13 and equipment, postage printing and stationery, memberships, bank charges,
14 director's fees and expenses, etc.

15 Communication expenses are related to the monthly charges from GPI's
16 telephone service provider in relation to our phone and fax lines.

17 Bank charges include the costs related to both incoming and outgoing cash
18 payments.

19 Office Supplies include consumables as well as monthly photocopier lease and
20 usage charges.

21 • ***Regulatory Costs***

22 The regulatory costs program includes the OEB Cost Assessment, OEB Cost
23 Awards for OEB initiated proceedings and the third party costs incurred to meet
24 the OEB requirements of the cost-of-service application. The cost of preparing
25 the cost of service application, which is spread over the term of the cost of
26 service, usually five years. The internal labour costs for the cost of service
27 application is included in the Administration and Financial program.

• **Insurance**

This program includes required costs to protect GPI's assets and its customers from large bill impacts resulting from a catastrophic loss. GPI pays annual insurance for liability, property, and vehicle and for privacy/cyber/network security issues.

3.6 VARIANCE ANALYSIS BY PROGRAM

For each Program, GPI provides a variance analysis between the 2022 Test Year and the 2016 OEB-Approved last rebasing year and between the 2022 Test Year and 2020 Actual expenditures.

• **Customer Focus - Customer Service, Billing and Collecting**

Table 4-12
Summary of Customer Service Billing and Collecting
2016 OEB Approved to 2022 Test Year

Expense	Details	Last Rebasing Year (2016 OEB- Approved)	2020 Actuals	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB- Approved)
CUSTOMER FOCUS						
Customer Service and Billing	Labour	183,144	223,283	296,599	73,316	113,455
	Customer Information System	92,049	97,958	108,452	10,494	16,403
	Postages	80,000	91,821	96,000	4,179	16,000
	Third Party Services	49,714	46,109	55,534	9,426	5,820
	Miscellaneous	16,240	20,202	27,823	7,621	11,583
Bad Debts and Collections		43,776	31,301	48,320	17,019	4,543
Sub-Total		464,924	510,674	632,728	122,055	167,804

The 2022 Test year expenditures for the Billing and Collecting are \$122,055 higher compared to the most recent 2020 actuals and \$167,804 higher than the last OEB approved amounts.

In comparing the 2022 Test year with the 2020 actuals, the increase of \$73,316 in labour costs is mainly attributed to the Senior Customer Account Representative position being vacant for a portion of 2020 and moving from a part-time to full-time position in 2022. The position remained vacant for a nine-

1 month period in 2020 as a result of hiring limitations due to Covid-19. In 2020,
2 labour costs were approximately \$19,200 lower due to the position being
3 vacant. In 2022, an additional \$22,724 was added to the status of the position
4 from part time to full-time. The remaining increase in labour is due to increases
5 in wages with positions moving to their full allotment due to the number of years
6 in the position and inflationary wage and benefit increases.

7 The decision to change the Senior Customer Representative position from part
8 time to full time was a business decision to support the constant changes in the
9 billing system and regulations related to customer services.

10 In comparing the 2022 test year with the 2016 rebasing year, \$71,531 of the
11 \$113,455 increase is attributed to inflationary increases in wages. The
12 remaining variance of \$41,924 is due to the change for the Senior Customer
13 Representative position from part time to full time.

14 • ***Operational Effectiveness – Supervision and Engineering***

15 **Table 4-13**
16 **Summary of Supervision and Engineering**
17 **2016 OEB Approved to 2022 Test Year**

Programs	Last Rebasing Year (2016 OEB- Approved)	2020 Actuals	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB- Approved)
OPERATIONAL EFFECTIVENESS					
Supervision & Engineering	443,516	451,367	247,875	(203,492)	(195,641)

19 The decrease in Supervision and Engineering cost is mainly due to the elimination
20 of the Engineering Supervisor position.

• **Operational Effectiveness – Transformer Station Niagara West MTS**

Table 4-14
Summary of Transformer Station Niagara West MTS
2016 OEB Approved to 2022 Test Year

Programs	Details	Last Rebasing Year (2016 OEB-Approved)	2020 Actuals	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB-Approved))
OPERATIONAL EFFECTIVENESS						
Transformer Station	Load Dispatching	71,671	104,237	90,060	(14,177)	18,389
	Operating Expenses	52,122	73,738	84,683	10,945	32,561
	Maintenance Expense	45,690	55,042	63,526	8,484	17,836
	Insurance	25,000	24,165	28,387	4,222	3,387
	Property Tax	7,500	9,459	10,092	632	2,592
Sub-Total		201,983	266,641	276,748	10,107	74,764

The 2022 Test Year balance of \$276,748 is \$74,764 higher than the 2016 Board Approved amount of \$201,983. The primary driver of the variances are significant increases in property tax for NW MTS over this period and increases in rates of the third party contractors that oversee ongoing maintenance activities related to NW MTS.

Included in the Transformer Station maintenance are staff wages and third party costs. The increase is related to the inflation increases in third party costs. As GPI was familiarizing with NW MTS systems, GPI has also proactively added various maintenance related enhancements to optimize the overall maintenance activities for NW MTS.

• **Operational Effectiveness – Meter Reading and Operation**

Table 4-15
Summary of Meter Reading and Operation
2016 OEB Approved to 2022 Test Year

Programs	Details	Last Rebasing Year (2016 OEB- Approved)	2020 Actuals	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB- Approved)
OPERATIONAL EFFECTIVENESS						
Meter Reading and Operation	Meter Operation Expense	153,806	213,986	241,576	27,589	87,769
	Meter Reading	68,144	75,174	84,958	9,785	16,814
Sub-Total		221,951	289,160	326,534	37,374	104,583

Meter reading costs have increased by \$9,785 in the test year compared to the 2020 actual figure. The higher cost is largely driven by an increase in the services required to read wholesale meters. The addition of a third feeder also results in greater costs due to having to verify the additional primary wholesale meters. The additional cost is approximately \$5,200 compared to 2020. There will also be additional costs associated with increased wages for GPI staff of \$1,500.

The increase in cost from the 2016 OEB approved and 2022 test year is \$16,814. This increase is mainly attributable to the automation of reads for our primary wholesale meters and interval meters. In 2018, GPI began using Utilismart to automate the process of reads going into our CIS system for our interval customers. The automated process allows for less manual entry of reads and more points of verification for GPI staff. The addition of Utilismart services results in \$42,397 of costs, but also reduces other meter reading costs \$25,800, a net increase of \$16,814.

The meter operations expense are higher due to the addition of costs associated with increased number of residential smart meters when comparing 2016 to 2020 meter numbers. The monthly fee for smart meter monitoring is based on the number of registered smart meters. In addition, this contract is based on US dollars per meter – meaning currency exchange rates have slight impact on this cost increase over this period. This service is very valuable to GPI as it provides ongoing

meter activity monitoring and the ability to respond immediately to any smart meter related issues. GPI has further utilized the smart meters' alarms to optimize its outage response and display outage areas on its' website.

Labour costs related to meter seal extensions for smart meters installed prior to 2010 has also resulted in an increase in costs. GPI has successfully completed sampling process and obtained seal extensions for those meters.

- Operational Effectiveness – Overhead Services**

Table 4-16
Summary of Overhead Services
2016 OEB Approved to 2022 Test Year

Programs	Details	Last Rebasement Year (2016 OEB-Approved)	2020 Actuals	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasement Year (2016 OEB-Approved))
OPERATIONAL EFFECTIVENESS						
Overhead Services	Maintenance Poles, Towers and Fixture	30,658	105,369	138,259	32,890	107,601
	OH Lines and Feeders	72,763	94,490	91,457	(3,033)	18,694
	OH Transformers	17,984	13,942	16,351	2,408	(1,634)
	OH Conductors and Devices	29,942	65,590	48,766	(16,824)	18,824
	OH Services	37,762	29,166	26,193	(2,973)	(11,569)
Sub-Total		189,110	308,558	321,026	12,468	131,916

The 2022 Test Year balance of \$321,026 is \$131,916 higher than 2016 Board Approved amount of \$189,110. The primary driver for higher costs relate to pole maintenance and costs associated with the maintenance of OH Conductors and Devices. During 2018, Grimsby Power hired a third party provider to conduct detailed condition analysis and assessment of GPI's assets and produce Asset Condition Assessment (ACA) report. Since then GPI has enhanced its maintenance processes for Overhead Services and introduced additional maintenance activities for OH Devices (i.e. Infrared Thermography), along with additional testing practices for pole maintenance (i.e. Resistography). These enhancements to existing maintenance process result in additional costs, but will provide long-term benefits. These benefits allow GPI to detect potential equipment failures ahead of their actual occurrence.

- **Operational Effectiveness – Administration and Financial**

Table 4-17
Summary of Administration and Financial
2016 OEB Approved to 2022 Test Year

Programs		Last Rebasing Year (2016 OEB- Approved)	2020 Actuals	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasing Year (2016 OEB- Approved)
OPERATIONAL EFFECTIVENESS						
Administration and Financial						
	Labour	822,388	773,577	1,158,539	384,962	336,151
	Non-Labour	48,735	12,858	26,116	13,258	(22,619)
Sub-Total		871,123	786,434	1,184,655	398,220	313,532

2020 Actuals vs. 2022 Test Year

Increase in Administration and Finance costs in 2022 Test year compared to the 2020 Actuals is mainly due to:

- New positions of Director of Engineering and Operations and Accounting Supervisor hired in 2021 ;
- The Executive Assistant and Accounting Assistant were vacant for approximately four months in 2020;
- Inflationary increase in labour and non-labour component.

2016 Board Approved vs. 2022 Test Year

In addition to estimated inflation on labour and non-labour component of \$205,969 for the six-year period from 2016 to 2022. The remaining amount of \$107,563 is related to:

- The addition of an Accounting Supervisor in 2021 - the impact of the additional position in Finance is partially offset by the elimination of the

Director of Customer Accounts position and splitting those responsibilities between the former Finance and Regulatory Analyst (now the Regulatory and Customer Accounts Supervisor) and the Senior Customer Accounts Representative;

- Storekeeper status change from part time to full time resulted an increase.

Public and Regulatory Responsiveness – Information Technology

Table 4-18
Summary of Information Technology
2016 OEB Approved to 2022 Test Year

Programs	Details	Last Rebasement Year (2016 OEB-Approved)	2020 Actuals	2022 Test Year	Variance (Test Year vs. 2020 Actuals)	Variance (Test Year vs. Last Rebasement Year (2016 OEB-Approved))
PUBLIC AND REGULATORY RESPONSIVENESS						
Information Technology	Graphics Information System	21,000	75,901	79,164	3,263	58,164
	Network and Cybersecurity	57,711	70,395	137,067	66,672	79,356
Sub-Total		78,711	146,296	216,231	69,935	137,520

The increase in Information Technology costs is driven by:

- Increases of third-party support and maintenance costs for GPI's GIS system. GPI's GIS system it is the key software used by GPI's Engineering and Operations for daily work activities. Use of this software by GPI for Engineering Design and Operations Outage Response are just some examples that make this software very important for GPI's Engineering & Operations activities.
- Another part that of the cost increase relates to GPI's effort to ensure its IT network is stable and resistant to cybersecurity. Some of cybersecurity cost increases are directly related to OEB's regulatory requirements when it comes to cybersecurity status reporting;
- The cost with the new IT system and Communication Specialist that is partially offset by the third-party network and cybersecurity cost.

1 WORKFORCE PLANNING AND EMPLOYEE COMPENSATION

2 4.1 INTRODUCTION

3 GPI recognizes the alignment of the contributions of its employees to the success of its
4 business. GPI strives to pay competitively and equitably for employee performance,
5 while recognizing the budgetary and business constraints of operating in a regulated
6 environment and the bill impacts on its customers. GPI's overall compensation for all
7 employees must be able to attract, retain and motivate qualified personnel in an
8 industry that is facing an aging workforce and competition for limited skilled resources.
9 Many of GPI's positions are highly skilled in both trade and non-trade jobs.

10 This exhibit provides information on GPI's levels and approach to workforce planning
11 and employee compensation with summary employee cost information provided in
12 Table 4-19 below:

13 **Table 4-19**
14 **Employee Costs**
15 **2016 Approved to 2022 Test Year**

	Last Rebasing Year (2016 OEB Approved)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year
Number of Employees (FTEs including Part-Time)¹								
Management (including executive)	8	8	6	6	6	5	6	8
Non-Management (union and non-union)	9	10	10	11	11	10	12	13
Total	17	18	16	17	17	15	18	21
Total Salary and Wages including overtime and incentive pay								
Management (including executive)	\$ 808,122	\$ 883,393	\$ 650,477	\$ 684,383	\$ 689,311	\$ 614,818	\$ 759,423	\$ 973,337
Non-Management (union and non-union)	\$ 674,588	\$ 739,786	\$ 784,802	\$ 849,618	\$ 869,015	\$ 849,110	\$ 867,740	\$ 949,561
Total	\$ 1,482,711	\$ 1,623,179	\$ 1,435,279	\$ 1,534,001	\$ 1,558,326	\$ 1,463,928	\$ 1,627,163	\$ 1,922,898
Total Benefits (Current + Accrued)								
Management (including executive)	\$ 199,079	\$ 195,304	\$ 164,136	\$ 171,645	\$ 167,579	\$ 164,703	\$ 190,730	\$ 235,269
Non-Management (union and non-union)	\$ 185,692	\$ 190,892	\$ 208,673	\$ 224,933	\$ 222,191	\$ 193,991	\$ 253,803	\$ 288,891
Total	\$ 384,771	\$ 386,196	\$ 372,809	\$ 396,578	\$ 389,770	\$ 358,693	\$ 444,533	\$ 524,160
Total Compensation (Salary, Wages, & Benefits)								
Management (including executive)	\$ 1,007,201	\$ 1,078,697	\$ 814,613	\$ 856,028	\$ 856,890	\$ 779,521	\$ 950,154	\$ 1,208,606
Non-Management (union and non-union)	\$ 860,280	\$ 930,678	\$ 993,475	\$ 1,074,552	\$ 1,091,206	\$ 1,043,101	\$ 1,121,543	\$ 1,238,452
Total	\$ 1,867,481	\$ 2,009,375	\$ 1,808,087	\$ 1,930,579	\$ 1,948,096	\$ 1,822,621	\$ 2,071,696	\$ 2,447,058

16
17 The compensation package includes a base wage, benefits package and performance
18 pay for non-unionized staff. GP's workforce is comprised of both unionized and non-
19 unionized management staff.

1 Total Salary and Wages

2 "Total Salary and Wages" includes base salary and all wages, such as overtime and on-
3 call premiums. Short-term incentive pay is included in the "Total Salary and Wages".

4 Benefits

5 Costs relating to benefits relate to all payroll and discretionary benefits, such as
6 Employer Health Tax (EHT), Canada Pension Plan (CPP), Employer Health Tax (EHT),
7 Employment Insurance (EI), Workplace Safety and Insurance Board (WSIB), Ontario
8 Municipal Employee Retirement System (OMERS), Life Insurance, Long Term Disability,
9 Health and Dental Coverage, and the Employee Assistance Program. Some benefit costs
10 are directly related to salary (e.g. OMERS) and others are related to experience rating
11 (e.g. Health and Dental) coverage.

12 Accrued Benefits

13 Accrued Benefits consists of post-retirement, non-pension benefits. GPI has never
14 offered post-retirement benefits to its employees and plans to maintain this position.
15 GPI does not have any liabilities for unused sick leave.

16 Life insurance premiums are paid for retirees.

17 **4.2 WORKFORCE PLANNING**

18 An aging workforce, anticipated LDC-specific skills shortages, increased diversity, and
19 an aging workforce are all common in Ontario's utility sector. The bottom line is that it
20 is getting more challenging to attract and retain employees and contain compensation
21 costs.

22 A continuing theme of aging workforce has resulted in cost pressures to recruit and
23 develop a new generation of employees.

24 As shown in Table 4-20 – Average Age of Employees, the average age of management
25 employees has increased by 2.32 years, while average age of union employees has
26 decreased by 2.54 years.

Table 4-20
Average Age of Employees 2016 and 2020

	2016 Average Age	2020 Average Age	Difference
Management	48.77	51.09	2.32
Union	42.13	39.59	(2.54)

During the period from 2016 to 2020, there were five (5) retirements, which represents one quarter of GPI's the total employees. Over the next five to eight years, five (5) employees from existing staff are eligible to retire.

Employee Turnover

Minimizing turnover reduces the costs related to recruitment, hiring, orientation, skill transfer, training and professional development.

Voluntary turnover can be an indicator of retention concerns, particularly in key positions.

GPI's voluntary turnover has been high, which is an indication of GPI's inability to retain employees. Voluntary turnover is defined as turnover due to an employee initiated departure. It excludes retirements, resignations, dismissals, redundancies, transfers, deaths, and leaves.

GPI's voluntary turnover experience is as follows:

- 2016 5
- 2017 3
- 2018 3
- 2019 2
- 2020 5

Involuntary turnover is defined as turnover due to an employee departure initiated by the employer. Involuntary turnover is an indication of potential issues with respect to

human resources planning, performance management and hiring decisions. GPI has very low involuntary turnover.

GPI's involuntary turnover experience is as follows:

- 2016 None
- 2017 None
- 2018 None
- 2019 None
- 2020 1

Projected Retirements

Projected retirements are key indicator for Human Resources planning. This projection underpins the annual Human Resources budget plan, training/professional development plans and succession management.

There are five employees eligible for retirement in the rate-rebasing period from 2022 to 2026. Planning for retirements is difficult because employees very rarely provide firm irrevocable retirement dates.

The potential retirements in the next five to eight years will occur at a time when other companies and LDCs are competing for the same resources because all are experiencing high levels of retirement. This means increased competition for talent. Attracting fully competent employees is very difficult, especially for a small utility. Mitigation is occurring through succession management, knowledge transfer and human resources planning such as hiring ahead of retirements.

Employee Demographics

Length of Service and Age

The information in the following table represents a snapshot of GPI's employees.

Table 4-21
Employee Demographics
2016 Approved to 2022 Test Year

Department	Management			Non-Management		
	Average Age	Average Length with GPI	Average Length of Utility Service	Average Age	Average Length with GPI	Average Length of Utility Service
Supervision & Administration	50	6	10			
Lines & Stores & Engineering				39	10	12
Accounting & Billing				37	7	9
Executive	55	6	23			
TOTAL	52	6	16	38	8	10

Average age and age distribution are indicators of an organization's capability of sustaining succession management and industry specific knowledge transfer to new employees as existing employees leave. Skill sets from across age groups can complement each other. GPI's age distribution is as follows:

- Management Average Age 52
- Non-Management Average Age 38

The length of service is a general indicator of employee's industry specific knowledge. Longer lengths of service are associated with broader knowledge within the corporation. GPI's length of service statistics are as follows:

- Management Length of Utility Service 16 – newer employees to GPI are bringing valued LDC related experience.
- Non-Management Length of Utility Service 10 – Indicates a young work force in terms of length of service.

GPI's age distribution is on the higher end considering the age of retirement begins at age 55. GPI has a number of new employees with limited experience as shown by the average length with GPI being 8 years.

1 Trades Apprentices

2 GPI has four Journeyman Lineman positions at the current time. The experience of
3 Current Linemen ranges between 15 years, 13 years, 9 years and 3 years respectively.
4 GPI's succession planning strategy is to hire one apprentice in 2022. It has been GPI's
5 experience and the experience of the Executive team that better retention of the Lines
6 trade is achieved by hiring apprentices. Hiring of tradesman with Journeyman status is
7 extremely difficult. Over the rate period from 2022 to 2026 this apprentice would move
8 along the learning continuum from apprentice to Journeyman. It is therefore critical
9 that the hiring not be delayed.

10 Compensation

11 Finding the right number of qualified employees to fill key LDC business requirements
12 – including succession planning and knowledge transfer specific to GPI and the utility
13 industry – are essential for continued high levels of customer service and business
14 continuity. Competitive compensation with organizations we compete with for similar
15 roles is a key element in ensuring GPI maintains the ability to attract and retain the
16 qualified resources.

17 Compensation Principles and Target Market

18 GPI's compensation philosophy is to be competitive with comparable organizations for
19 similar roles in the LDC marketplace. GPI's primary target market for LDC specific roles
20 is the LDC market. However, experience indicates that attracting talent from the LDC
21 sector is difficult, primarily due to compensation challenges. LDCs larger than GPI
22 generally compensate employees at a higher level than GPI's current compensation
23 rates. Furthermore, GPI's employees have left to join other utilities after gaining
24 industry knowledge and experience with GPI. As a result of this GPI is required to reach
25 beyond the LDC sector to attract good employees.

26 Union

27 Of the 19 employees employed by GPI, 11 or 57.9% are represented by the Power
28 Workers Union (PWU). This employee category has many positions which are require a

1 combination of specialized education, specialized skills or some combination of the two.
2 For example: a Journeyman Lineman is required to complete an 8,000 hour
3 apprenticeship program, a Technician is required to have 2 to 3 years of college, while
4 other employees require up to 5 years of exposure to learn the specific skills necessary
5 to be successful in the various roles. Operations staff work a standard 40 hour week
6 while office staff work a 37.5-hour week.

7 The job classifications range from 80% to 100% of the job rate. All classifications have
8 four levels below the job rate of 100%. Employees generally move from one level to
9 the next on an annual basis, based on satisfactory performance.

10 Hourly wage rates for unionized staff are negotiated as part of the collective bargaining
11 process. As jobs in the LDC industry are very comparable from utility to utility, Unions
12 are aware of the wage differentials between utilities. With the exception of Niagara on
13 the Lake Hydro, GPI is surrounded by larger utilities, which in general have higher
14 hourly rates than GPI. It is extremely important that GPI keep its union wage rates in
15 a range in order to not undermine its ability to hire the right employees with specific
16 skill sets.

17 Part Time

18 Of the 19 staff employed by GPI, one is part time (5.3%) and not part of the PWU. This
19 employee works between 20 and 24 hours per week. Management relied on market
20 comparators to set the position's hourly rate.

21 Management

22 Of the 19 staff employed by GPI, 7 or 36.8% are Management employees. This category
23 covers all managerial, supervisory, and administrated employees of GPI.

24 The majority of these positions require university and college level education, and many
25 require several years of specialized electric utility experience and knowledge. For
26 example, Professional Engineers, Certified Professional Accountant, Administrators with
27 MBA's or college level diplomas/certificates and Regulatory Experts.

1 GPI's management position salaries need to be competitive in order to ensure it can
2 attract the employees it needs, given the competition for talent for highly specialized
3 skills and the high level of retirements in the rate period from 2022 to 2026 where
4 three out of six staff are eligible for retirement. GPI also needs to retain its management
5 employees so that it does not lose the training and development investments that GPI
6 has made with each of these employees.

7 In 2012, GPI adopted a methodology to review management performance and
8 compensation on an annual basis. This methodology considers base salary, short-term
9 incentives, the setting of objectives, and the assessment of performance against those
10 objectives. Every management position has a base salary and short-term incentive
11 criteria, which is dependent on the responsibilities of the position. There are no across-
12 the-board economic adjustments to base salaries.

13 There are two components to compensation – base salary or the Job Rate and a short-
14 term incentive. Every job position has been assigned a pay grade based on the
15 evaluation of the job utilizing Hay points and each pay grade has a salary grid that
16 ranges from the Job Rate at 100% to Step 7 or 65% of the Job Rate. Movement through
17 the salary grid is dependent on successful performance and is reviewed annually. The
18 Job Rate represents a fully competent and experienced individual in the position held.

19 **4.3 EMPLOYEE COMPENSATION**

20 **4.3.1 OVERVIEW**

21 In GPI's experience, it is getting more challenging to attract and retain qualified and
22 experienced employees in key functional areas of our business. A number of forecasts
23 such that there will be high levels of employee retirements across the utility industry –
24 adds to the collective resource drain on the industry as a whole. This high level of
25 retirement is increasing the demand for experienced employees, making employee
26 attraction and retention more difficult than in the past. GPI's succession plan has
27 identified potential retirements over the next five years. Over the next five to eight
28 years, it is expected that five of GPI's existing staff may retire, including the positions
29 of President and CEO, Director of Finance, Operations Supervisor, Engineering
30 Technician and Accounting and Settlement Clerk. Therefore, of the twenty-one



employees, five employees are eligible to retire from 2022 to 2028. Competitive compensation with organizations we compete with for resources is required to meet the needs of the organization, including continued high levels of customer service.

The following section details the outcome of previous plans and how those outcomes have impacted GPI's proposed current plan, including an explanation of the reasons for all material changes to the headcount and compensation. Further, the analysis includes the following:

- Employee costs and 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).

4.3.2 EMPLOYEE COSTS AND VARIANCE ANALYSIS

GPI employee costs are detailed in Appendix 2-K below.

Table 4-22
Appendix 2-K – Employee Costs
2016 Approved to 2022 Test Year

	Last Rebasing Year (2016 OEB Approved)	Last Rebasing Year (2016 Actuals)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year
Number of Employees (FTEs including Part-Time)¹								
Management (including executive)	8	8	6	6	6	5	6	8
Non-Management (union and non-union)	9	10	10	11	11	10	12	13
Total	17	18	16	17	17	15	18	21
Total Salary and Wages including overtime and incentive pay								
Management (including executive)	\$ 808,122	\$ 883,393	\$ 650,477	\$ 684,383	\$ 689,311	\$ 614,818	\$ 759,423	\$ 973,337
Non-Management (union and non-union)	\$ 674,588	\$ 739,786	\$ 784,802	\$ 849,618	\$ 869,015	\$ 849,110	\$ 867,740	\$ 949,561
Total	\$ 1,482,711	\$ 1,623,179	\$ 1,435,279	\$ 1,534,001	\$ 1,558,326	\$ 1,463,928	\$ 1,627,163	\$ 1,922,898
Total Benefits (Current + Accrued)								
Management (including executive)	\$ 199,079	\$ 195,304	\$ 164,136	\$ 171,645	\$ 167,579	\$ 164,703	\$ 190,730	\$ 235,269
Non-Management (union and non-union)	\$ 185,692	\$ 190,892	\$ 208,673	\$ 224,933	\$ 222,191	\$ 193,991	\$ 253,803	\$ 288,891
Total	\$ 384,771	\$ 386,196	\$ 372,809	\$ 396,578	\$ 389,770	\$ 358,693	\$ 444,533	\$ 524,160
Total Compensation (Salary, Wages, & Benefits)								
Management (including executive)	\$ 1,007,201	\$ 1,078,697	\$ 814,613	\$ 856,028	\$ 856,890	\$ 779,521	\$ 950,154	\$ 1,208,606
Non-Management (union and non-union)	\$ 860,280	\$ 930,678	\$ 993,475	\$ 1,074,552	\$ 1,091,206	\$ 1,043,101	\$ 1,121,543	\$ 1,238,452
Total	\$ 1,867,481	\$ 2,009,375	\$ 1,808,087	\$ 1,930,579	\$ 1,948,096	\$ 1,822,621	\$ 2,071,696	\$ 2,447,058

GPI is proposing a staff complement of 21 FTE's for the 2022 Test Year. This represents an increase of three FTE's from 2016 actuals of 18 FTE's. Prior to this the OEB approved a level of 18.5 FTE in the 2012 (EB-2011-0273) proceeding.

The following table is a summary of positions and FTE's:

Table 4-23
Summary of the positions and FTE's
2016 Approved to 2022 Test Year

Department	2016 Board Approved	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year	Change 2022 vs. 2016 Actual	Change 2022 vs. 2016 Board Approved
Operations										
Supervision	1.73	2.00	2.00	2.00	2.00	1.15	1.00	1.00	(1.00)	(0.73)
Lines	4.00	4.00	3.48	4.00	4.00	4.00	4.00	5.00	1.00	1.00
Stores	0.50	0.41	0.54	1.00	1.00	1.00	1.00	1.00	0.59	0.50
Total	6.23	6.41	6.02	7.00	7.00	6.15	6.00	7.00	0.59	0.77
Engineering										
Engineering	1.00	1.00	1.83	2.00	2.00	1.59	2.00	3.00	2.00	2.00
Total	1.00	1.00	1.83	2.00	2.00	1.59	2.00	3.00	2.00	2.00
Finance										
Accounting	2.70	2.98	2.94	1.86	2.21	2.54	3.00	3.70	0.72	1.00
Administration	1.00	1.33	0.60	1.23	0.84	0.45	1.00	1.00	(0.33)	-
Billing	2.80	3.64	3.05	3.08	3.09	1.97	3.30	3.30	(0.34)	0.50
Total	6.50	7.96	6.59	6.17	6.14	4.96	7.30	8.00	0.04	1.50
Executive	3.00	2.63	2.00	2.00	2.00	2.00	2.70	3.00	0.37	-
TOTAL	16.73	17.99	16.43	17.17	17.14	14.71	18.00	21.00	3.01	4.27
Increase Over Prior Year		1.26	(1.56)	0.74	(0.03)	(2.43)	3.29	3.00		
YTD Increase Over 2016 Board Approved		1.26	(0.30)	0.44	0.41	(2.02)	1.27	4.27		

Full-Time Equivalents (FTEs including Part-Time)

Full-time equivalents refer to all full-time and part-time employees of GPI. All management employees work a normal workweek of 37.5 hours. GPI currently has one part time employee who works a minimum of 20 hours per week, but no more than 24 hours per week. Union employees in the office work a normal workweek of 37.5 hours and field staff including the Engineering Technicians work a normal workweek of 40 hours. FTE counts are based on regular hours worked or budgeted, which are included in the proposed revenue requirement over the base hours for a given position.

From time-to-time gaps in positions are created between the time an employee leaves GPI and the time a new employee is hired in the same or similar position. These gaps



1 have been taken into account. If there was a gap in a position this would reduce the
2 FTE count to a value less than one for a position in any given year.

3 Agency and other independent contractors who provide services to GPI who are not
4 employees of GPI are excluded from Appendix 2-K.

5 Management Employees

6 Management employees include the President and Chief Executive Officer, Director of
7 Finance, Director of Engineering and Operations, Regulatory and Customer Accounts
8 Supervisor, Operations Supervisor, Accounting Supervisor, IT System &
9 Communication Specialist and Executive Assistant. All of these positions are full-time.

10 Non-Management Employees

11 Non-management employees include all employees of the Power Workers Union of GPI
12 and part time (non-management) employees. These positions include Foreman,
13 Journeyman Linemen (4), Engineering Technician (2), Customer Accounts
14 Representative (2), Accounting Assistant, Accounting and Settlement Clerk, and
15 Storekeeper.

16 Currently the non-management employees include one part time position – Senior
17 Customer Accounts Representative.

18 Full Time Equivalent Variance Analysis

19 For the purposes of the variance analysis with respect to the change in full-time
20 employees, Table 4-24 - Summary of the positions and FTE's, 2022 Test Year vs. 2016
21 Board Approved summarizes the net change in full-time employees between the 2016
22 Board Approved and 2022 Test Year. The net change in the number of employees
23 includes the reduction and/or elimination of certain positions through retirements, as
24 well as new positions that were added during the period. In certain cases, a position
25 may have been eliminated/reduced in one year, but subsequently added in another
26 year. Explanations are provided for the overall change in full-time employees.

Table 4-24
Changes in Number of Full-Time Employees
2016 Approved to 2022 Test Year

Department	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year	Cumulative
Operations								
Supervision	0.27	0.00	0.00	0.00	(0.85)	(0.15)	0.00	(0.73)
Lines	0.00	(0.52)	0.52	0.00	0.00	0.00	1.00	1.00
Stores	(0.09)	0.13	0.46	0.00	0.00	0.00	0.00	0.50
Total	0.18	(0.39)	0.98	0.00	(0.85)	(0.15)	1.00	0.77
Engineering								
Engineering	0.00	0.83	0.17	0.00	(0.41)	0.41	1.00	2.00
Total	0.00	0.83	0.17	0.00	(0.41)	0.41	1.00	2.00
Finance								
Accounting	0.28	(0.04)	(1.08)	0.35	0.33	0.46	0.70	1.00
Administation	0.33	(0.74)	0.63	(0.39)	(0.39)	0.55	0.00	0.00
Billing	0.84	(0.59)	0.03	0.02	(1.12)	1.33	0.00	0.50
Total	1.46	(1.37)	(0.42)	(0.03)	(1.18)	2.34	0.70	1.50
Executive	(0.37)	(0.63)	0.00	0.00	0.00	0.70	0.30	0.00
TOTAL	1.26	(1.56)	0.74	(0.03)	(2.43)	3.29	3.00	4.27

When an existing position with GPI becomes vacant due to a retirement or employee turnover, GPI initiates an internal review and analysis to determine whether:

- the position should be filled based on the existing job requirements;
- the position should be updated and/or changed to reflect the changing environment, industry landscape, or changing business conditions;
- or there is an opportunity to eliminate the position.

At the same time, GPI evaluates and assesses where there may be current capacity constraints, and/or technical or competency gaps in the organization that should be considered for the hiring of a new position. Requests for any new hire must follow a



1 process that includes the justification for the position and the consideration of
2 alternatives. The President and CEO approves all new hires. As part of governance
3 oversight, GPI's the Board of Directors reviews the changes in full-time employees
4 through the annual budget approval process.

5 The GPI's FTE count has been fairly consistent. The cumulative change between 2022
6 Test Year and 2016 Board Approved is 4.27 FTE due to the:

- 7 • 3.5 FTE net additions in 2022 Test Year compared to the 2016 Board Approved,
8 which includes:

- 9 ○ Accounting Supervisor,
- 10 ○ IT System & Communication Specialist,
- 11 ○ Lineman Apprentice and
- 12 ○ Senior Customer Representative change from part time to full time, and

- 13 • 0.77 FTE net additions between 2017 and 2020 the 2016 Board Approved:

- 14 ○ Engineering Supervisor position eliminated in 2020
- 15 ○ Storekeeper status change from part time to full time in 2017
- 16 ○ Engineering Technician addition in 2017

4.3.3 VARIANCE ANALYSIS OF IN SALARY AND BENEFITS

Table 4-25
Variance in Salary and Benefits
2016 Approved to 2022 Test Year

FTE Category	2016 Actual vs. 2016 Board Approved	2017 Actual vs. 2016 Actual	2018 Actual vs. 2017 Actual	2019 Actual vs. 2018 Actual	2020 Actual vs. 2019 Actual	2021 Bridge vs. 2020 Actual	2022 Test vs. 2021 Bridge
Total Salary and Wages including overtime and incentive pay							
Management (including executive)	\$75,271	(\$232,916)	\$33,906	\$4,928	(\$74,494)	\$144,606	\$213,913
Non-Management (union and non-union)	\$65,197	\$45,016	\$64,817	\$19,396	(\$19,904)	\$18,630	\$81,821
Total	\$140,468	(\$187,900)	\$98,723	\$24,325	(\$94,398)	\$163,236	\$295,735
Total Benefits (Current + Accrued)							
Management (including executive)	(\$3,775)	(\$31,168)	\$7,509	(\$4,066)	(\$2,876)	\$26,027	\$44,539
Non-Management (union and non-union)	\$5,200	\$17,781	\$16,260	(\$2,743)	(\$28,200)	\$59,812	\$35,089
Total	\$1,426	(\$13,388)	\$23,769	(\$6,808)	(\$31,076)	\$85,839	\$79,627
Total Compensation (Salary, Wages, & Benefits)							
Management (including executive)	\$71,496	(\$264,085)	\$41,415	\$862	(\$77,370)	\$170,633	\$258,452
Non-Management (union and non-union)	\$70,398	\$62,797	\$81,077	\$16,654	(\$48,105)	\$78,442	\$116,910
Total	\$141,894	(\$201,288)	\$122,492	\$17,516	(\$125,474)	\$249,075	\$375,362

FTE Category	2016 Actual vs. 2016 Board Approved	2017 Actual vs. 2016 Actual	2018 Actual vs. 2017 Actual	2019 Actual vs. 2018 Actual	2020 Actual vs. 2019 Actual	2021 Bridge vs. 2020 Actual	2022 Test vs. 2021 Bridge
Number of Employees (FTEs including Part-Time)							
Management (including executive)	0.05	(1.87)	(0.09)	(0.16)	(1.23)	1.39	2.00
Non-Management (union and non-union)	1.21	0.31	0.83	0.13	(1.20)	1.90	1.00
Total	1.26	(1.56)	0.74	(0.03)	(2.43)	3.29	3.00

2016 Actual vs. 2016 Board Approved – Increase \$141,891

- The increase in salaries and wages of \$140,468 is a combination of:
 - Overlapping the CEOs the and the Executive Assistant for several months during transition partially offset by;
 - Departure of the Director of Assets Management;
 - Merit Increase and progression for management staff;
 - Wage increase and progression for union staff based on Collective Agreement.
- The benefits costs in 2016 are slightly different in 2016 compared to the Board Approved by \$1,426.

2017 Actual vs. 2016 Actual – Decrease \$201,288

- The decrease in salaries and wages of \$187,900 is a combination of:
 - Departure of the Director of Customer Accounts in 2017;
 - Departure of the Cashier and Foreman in 2017 partially offset by;
 - Additional cost for the Engineering Technician hired during 2017;
 - Change in 2017 the Storekeeper status from part time to full time;
 - Merit Increase and progression for management staff;
 - Wage increase and progression for union staff based on Collective Agreement.
- The decrease in benefits costs of \$13,388 is a combination of:
 - The increase in Health, Dental, OMERs, CPP EI, WSIB and EHT;
 - Offset by the reduction in benefit costs for the equivalent of 1.6 FTE.

2018 Actual vs. 2017 Actual – Increase \$122,492

- The increase in salaries and wages of \$98,723 is a combination of:
 - Replacement in 2018 of the part time Cashier position by a full time Senior Customer Representative;
 - Departure of the Accounting Assistant in 2018;
 - Merit Increase and progression for management staff;
 - Wage increase and progression for union staff based on Collective Agreement.
- The increase in benefits costs of \$23,769 is a combination of:

- 1 ○ The increase in Health, Dental, OMERs, CPP EI, WSIB and EHT and;
- 2 ○ The increase in FTE's for the equivalent of 0.7 FTE.

3 **2019 Actual vs. 2018 Actual – Increase \$17,516**

- 4
- 5 • The increase in salaries and wages of \$24,324 is a combination of:
 - 6 ○ Merit Increase and progression for management staff;
 - 7 ○ Wage increase and progression for union staff based on Collective
 - 8 Agreement.
- 9 • A decrease in benefits costs of \$6,808 is a combination of:
 - 10 ○ The increase in Health, Dental, OMERs, CPP EI, WSIB and EHT ;
 - 11 ○ Offset by reduced cost, for one FTE on contract with no Health and Dental
 - 12 Benefits.

13

14 **2020 Actual vs. 2019 Actual – Decrease \$125,474**

- 15 • The decrease in salaries and wages of \$94,398 is a combination of:
 - 16 ○ Departure of the Engineering Supervisor in 2020;
 - 17 ○ Departure of the Executive Assistant in 2020;
 - 18 ○ Departure of the Customer Accounts Representative in 2020; partially
 - 19 offset by;
 - 20 ○ Hired Accounting Assistant;
 - 21 ○ Merit Increase and progression for management staff;
 - 22 ○ Wage increase and progression for union staff based on Collective
 - 23 Agreement.

- The decrease in benefits costs of \$31,076 is a combination of:
 - The increase in Health, Dental, OMERs, CPP EI, WSIB and EHT;
 - Offset by the reduction in benefit costs for the equivalent of 2.4 FTE.

2021 Bridge vs. 2020 Actual – Increase \$249,075

- The decrease in salaries and wages of \$163,236 is a combination of:
 - Hired the Director of Engineering and Operations in 2021;
 - Hired the Accounting Supervisor in 2021;
 - Hired the Executive Assistant in 2021;
 - Customer Accounts Representative returned;
 - Merit Increase and progression for management staff;
 - Wage increase and progression for union staff based on Collective Agreement.

- The increase in benefits costs of \$85,839 is a combination of:
 - The increase in Health, Dental, OMERs, CPP EI, WSIB and EHT, and ;
 - The increase in FTE's for the equivalent of 3.3 FTE.

2022 Test vs. 2021 Bridge – Increase \$375,362

- The increase in salaries and wages of \$295,735 is a combination of:
 - Add new positions: IT System & Communication Specialist and Lineman Apprentice;
 - Full year for the 2021 hired employees :

- 1 ▪ Director of Engineering and Operations;
- 2 ▪ Accounting Supervisor;
- 3 ▪ Executive Assistant;
- 4 ○ Senior Customer Accounts Representative status change from part time
- 5 to full time;
- 6 ○ Merit Increase and progression for management staff;
- 7 ○ Wage increase and progression for union staff based on Collective
- 8 Agreement.
- 9 • The increase in benefits costs of \$79,627 is a combination of:
- 10 ○ The increase in Health, Dental, OMERs, CPP EI, WSIB and EHT, and ;
- 11 ○ The increase in FTE's for the equivalent of 3 FTE.

12 **4.3.3.1 BASIS FOR PERFORMANCE PAY**

13 The short-term incentive is based on a combination of individual and corporate
14 performance. The weighting of individual vs. corporate performance is based on the
15 position as follows:

16 **Table 4-26**
17 **Short Term Incentive Split**

GPI's Position Description	Corporate Performance %	Individual Performance %
President and CEO	75	25
Director of Engineering and Operations	50	50
Director of Finance	50	50
Operations Supervisor	50	50
Regulatory and Customer Accounts Supervisor	50	50
Accounting Supervisor	50	50
IT/Communication Specialist	25	75
Executive Assistant	25	75

The amount of short-term incentive is based on the achievement of both corporate and individual objectives as weighted in the table above. The objectives are based on a balanced scorecard approach. The corporate objectives for 2021 are as follows:

Table 4-27

Corporate Performance Measures and Metrics

Category	Weight	Measure	Minimum - 50%	Target - 100%	Maximum - 150%
Financial	15	% Variance in Actual OM&A Controllable Expense vs. Budget	Less Than or Equal to 110% of Budget	Plus or Minus 5.0% of Budget	Less Than 95% of Budget - Justify Budget Execution and Savings Achieved
			Less Than or Equal to \$3,852,981	Between \$3,327,575 and \$3,677,846 (Budget \$3,502,710)	Less Than \$3,327,575
Financial	15	% Variance in Actual Capital Expense vs. Budget	Plus or Minus 20.0% of Budget	Plus or Minus 10.0% of Budget	Plus or Minus 5.0% of Budget
			Between \$1,536,829 and \$1,728,932 or \$2,111,139 and \$2,305,243	Between \$1,728,932 and 2,113,139 (Budget \$1,921,036)	Between 1,824,984 and \$2,017,088
Financial	20	COS Application	Subjective - Plan Fails OEB Initial Submission Review but is Rectified with Only Minor Changes	Subjective - Plan Meets OEB Initial Submission Review with Only Minor Non-Conformance Issues	Subjective - Plan Meets OEB Initial Submission Requirements with No Non-Conformance Issues
Financial	5	% Weighted Completion of Budgeted Capital Projects & Items	Greater Than or Equal to 80.0% but Less Than 90.0%	Greater Than or Equal to 90.0% but Less Than 95.0% of Budget	Greater Than or Equal to 95%
Customer Service	5	Customer Engagement	Take Part in Externally hosted engagement events to promote CDM and Grimsby Power	Host events promoting awareness of Grimsby Power	Host Engagement Workshops with customers to provide feedback on issues surrounding electricity rates and projects
Customer Service	5	% of General Telephone Calls Answered within Minimum Standard	Greater Than or Equal to 75.0% but Less Than 85.0%	Greater Than or Equal to 85.0% but Less Than 95.0%	Greater Than or Equal to 95%
Customer Service	5	First Contact Resolution	No More Than 4 per Month on Average	No More Than 2 per Month on Average	No More Than 1 per Month on Average
Customer Service	5	Billing Accuracy	98% or More	99% or More	99.8% or More
Safety	5	# of Lost time Incidents & H&S Program	1	0	Subjective
Safety	10	# of Field Audits vs. Target	Greater Than or Equal to 80% but Less Than 95%	Plus or Minus 5.0%	Greater Than 105% but Less Than or Equal to 120%
			Greater Than or Equal to 36 but Less Than 43	Greater Than or Equal to 43 but Less Than or Equal to 47 (Base is 45)	Greater Than 47 but Less Than or Equal to 54
Reliability	5	% Change in 5 Year Rolling Average - SAIDI	Greater Than 5.0% but Less Than or Equal to 15.0%	Plus or Minus 5.0%	Better Than Negative 5.0%
			Greater Than 1.292 but Less Than or Equal to 1.564 (GPI - 1.36)	Between 1.292 and 1.428 (GPI - 1.36)	Better Than 1.156 (GPI - 1.36)
Reliability	5	% Change in 5 Year Rolling Average - SAIFI	Greater Than 10.0% but Less Than or Equal to 20.0%	Plus or Minus 10.0%	Better Than Negative 10.0%
			Greater Than 1.496 but Less Than or Equal to 1.632 (GPI - 1.07)	Between 1.224 and 1.496 (GPI - 1.07)	Better Than 1.2240 (GPI - 1.07)

The corporate objectives balance financial performance, customer service, safety and reliability. Within each objective are measures and explicit targets ranging from 50% through 150%. Individual objectives are similar to the corporate objectives but tailored to the individual. Performance objectives for corporate and individuals are set annually and approved by the GPI Board of Directors.

Example of a Short Term Incentive Calculation

The incentive payout calculation is based on a combination of corporate and individual performance. Let's assume:

- Individual Performance equals 80%

- 1 • Corporate Performance equals 75%
 - 2 • For the position the Individual/Corporate performance split is 75%/25%
 - 3 • The target short term incentive percentage is 6%
 - 4 • Employees Annual Base Earnings for the Year equals \$65,000
- 5 Individual STIP = $\$65,000 \times 6\% \times 80\% \times 75\% = \$2,340$
- 6 Corporate STIP = $\$65,000 \times 6\% \times 75\% \times 25\% = \731
- 7 Total STIP = \$3,071 (where target STIP equals $\$65,000 \times 6\%$ or \$3,900)

8 **4.3.3.2 RELEVANT STUDIES**

9 GPI has utilized, for the management wages calculation, the annual MEARIE Group–
10 Management Salary Survey of Local Distribution Companies that's administered by the
11 Hay Group Limited. The Job Rates are established to target the P50th percentile for
12 small utilities (those under 20,000 customers) in the MEARIE Salary Survey. Job Rates
13 were last established for January 1, 2021 based on the 2020 Management Salary
14 Survey.

15 **OMERS Pension Plan**

16 GPI employees are members of the Ontario Municipal Employees Retirement System
17 (OMERS). OMERS is a multi-employer pension plan the most LDC's participate in,
18 therefore the pension benefit provided to GPI's employees is consistent with the other
19 LDC's. The plan is a contributory defined benefit pension plan, which is financed by
20 equal contributions from the employer and employee based on the employee's
21 contributory earnings. GPI's pension premium information for 2016 - 2020 Actual, 2021
22 Bridge Year and 2022 Test Year is detailed in Table 4-28 - OMERS below. For the 2021
23 Bridge and 2022 Test Year, GPI assumed OMERS rates of 9% on earnings up to CPP
24 earning limits and 14.6% on earnings over CPP earnings limit as per OMER's newsletter
25 "The 2020 YMPE, preparing for 119-season and more!" dated November 26,2020.

Table 4-28

OMERS Cost

2016 Actual to 2022 Test Year

OMERS Pension	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals	2021 Bridge Year	2022 Test Year
TOTAL OMERS Cost	143,877	128,599	138,804	138,477	126,557	153,796	182,325

GPI has never offered post-retirement benefits to its employees and plans to maintain this position.

Life insurance premiums are paid to retirees.

Employee Benchmarking

Table 4-29 – Employee Benchmarking compares GPI to neighbouring Niagara Region utilities using the 2019 OEB Yearbook, the last year available at the time of writing the application. It is also compares GPI to its 2016 Board Approved and 2022 Test Year levels.

Table 4-29

Benchmarking

2019 Actual Service Area and Customer per FTE

Description	Grimsby Power Inc	Alectra Utilities Corporation	Canadian Niagara Power Inc.	Hydro One Networks Inc.	Niagara Peninsula Energy Inc.	Niagara-on-the-Lake Hydro Inc.	Welland Hydro-Electric System Corp.
	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual	2019 Actual
Number of Customers	11,631	1,054,613	29,455	1,343,959	56,067	9,558	23,664
Total Service Area	69	1,924	357	961,083	827	133	81
Number of FTE's	17	1,566	88	4,581	121	16	38
Service Area/FTE	4.03	1.23	4.06	209.80	6.86	8.29	2.15
Customer /FTE	678.59	673.57	334.72	293.38	465.25	595.89	629.03

SHARED SERVICES & CORPORATE COST ALLOCATIONS

GPI has business relationships with its affiliate and Shareholder for either the purchase of or provision of services. These entities are:

- Niagara Power Inc.
- FortisOntario/Canadian Niagara Power (Minority Shareholder)

Niagara Power Inc. (NPI) owns 100% of GPI. The Town of Grimsby owns 90% of NPI and FortisOntario owns 10% of NPI.

GPI provides bookkeeping services to its parent - Niagara Power Inc. The bookkeeping service is at a fixed fee based on an estimate of number of hours required times a market-based rate (\$/hour) based on GPI's own experience of purchases of similar services from third party service providers.

The services FortisOntario/Canadian Niagara Power provides as a minority shareholder (not affiliate) of GPI are services related to the Customer Information System (CIS). The IT Maintenance Fee is the result of the rates (fixed and variable) paid by GPI to Fortis for the CIS System as per the service agreement for this service.

As result of the 2016 Reorganization, GPI ceased to be related to Grimsby Hydro Inc. and 1938427 Ontario Inc. The two entities were moved from NPI to a Holdco company owned by the Town of Grimsby.

Corporate Cost Allocation

GPI does not have a shared service cost allocation.

Shared Services – History

GPI has completed Appendix 2-N in relation to each service provided or received for Historical (actual), Bridge and Test Years and presented below.

Table 4-30
Shared Services
2016 Board Approved

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power Inc	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 2,850
Grimsby Power Inc	Grimsby Hydro Inc	Bookkeeping Services	Market Price	\$ 600	\$ 360
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 99,216	\$ 99,216

Table 4-31
Shared Services
2016 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power Inc	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 2,850
Grimsby Power Inc	Grimsby Hydro Inc	Bookkeeping Services	Market Price	\$ 600	\$ 360
Grimsby Power Inc	1938427 Ontario Inc.	Bookkeeping Services	Market Price	\$ 600	\$ 360
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 92,713	\$ 92,713

Table 4-32
Shared Services
2017 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power Inc	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 1,800
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 98,569	\$ 98,569

Table 4-33
Shared Services
2018 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power Inc	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 1,800
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 92,336	\$ 92,336

A Table 4-34
Shared Services
2019 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 1,800
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 92,958	\$ 92,958

Table 4-35
Shared Services
2020 Actual

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power Inc	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 1,800
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 96,181	\$ 96,181

Table 4-36
Shared Services
2021 Bridge Year

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power Inc	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 1,800
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 97,143	\$ 97,143

Table 4-37
Shared Services
2022 Test Year

Name of Company		Service Offered	Pricing Methodology	Price for the Service	Cost for the Service
From	To			\$	\$
Grimsby Power Inc	Niagara Power Inc	Bookkeeping Services	Market Price	\$ 3,000	\$ 1,800
Fortis/CNP	Grimsby Power Inc	IT Maintenance Fee	Cost-Base	\$ 98,114	\$ 98,114

NON-AFFILIATE, ONE-TIME AND REGULATORY COSTS

6.1 PURCHASE OF NON-AFFILIATE SERVICES

GPI purchases equipment, materials and services from third parties in a cost effective manner with full consideration to price as well as product quality, the ability to deliver on time, compliance with engineering specification and quality of services.

Vendors are screened to ensure knowledge, reputation and the capability to meet GPI's needs.

The procurement of goods and/or services for GPI is carried out with high ethical standards and consideration to the public nature of the expenditures.

The purchasing process occurs in a number of ways as follows:

- Request for Proposal & Quotation (RFPQ)/Tender – A formal RFPQ is sent to multiple vendors to solicit specific inventory, equipment, or services.
- Request for Quotation (RFQ) – Multiple quotations for specific inventory, equipment, or services normally without a formal written process.
- Sole Source – Alliance Agreement – An existing agreement with a specific vendor. Periodic reviews are conducted to ensure pricing is competitive.
- Sole Source – Long Term Relationship – Certain inventory, equipment, or services are provided based on established long standing relationships. Over time, these relationships are subject to future RFPQ processes.

Procurement methods are subject to the rules and internal controls that GPI has built into the process. The purpose is to provide visibility on the acquisition and to have authorized approval for all goods and service purchased. All purchases require a purchase order with documentation provided on the PO that described the purchase and the reason the purchase is required. A call for tender is required for all purchases greater than \$20,000. All purchase orders have three levels of approval.

1 GPI confirms that it complies with its Purchasing Policy and that there are no exceptions
2 required to be identified.

3 **Table 4-38**
4 **Products and Services from Non-Affiliates in 2020**

Supplier Name	Service Product	Procurement Method	Document Amount
Independent Electricity System Operator	Electricity	Single Source	34,374,174
Hydro One Networks Inc.	Distributor	Single Source	1,914,014
Anixter	Maintenance/capital work	Quote/tender	298,788
Omers	Pension Benefits	Industry	272,001
Ground Aerial Maintenance	Maintenance/capital work	Quote/tender	232,355
CamTran Ltd.	Maintenance/capital work	Quote/tender	206,788
The Mearie Group	Benefits	Insurance - life and LTD	119,227
Stella-Jones Inc.	Maintenance/capital work	Quote/tender	114,271
Sensus	Meter data management and services	Quote/tender	104,776
The Business Computer Network	IT Services Software and Hardware	Quote/tender	103,361
Canada Post	Postage	Single Source	102,541
Fortis/CNP	CIS Maintenance Fees	Single Source	96,181
Spark Power High Voltage Services	Maintenance/capital work	Quote/tender	83,619
PVS Contractors Inc.	Locates	Quote/tender	76,149
Hygrid Solutions Inc.	Engineering Consultant	Quote/tender	68,622
KPMG	Audit and Corporate Tax Fee	RFQ	65,540
Utilismart Corporation	Meter data management and Services	Quote/tender	65,285
Intemetry	Engineering Consultant	Quote/tender	65,110
Precision Hydrovac and Digger Services	Maintenance/capital work	Quote/tender	64,712
Labora Technologies	Engineering Consultant	Quote/tender	55,851
5 Bel Volt Sales Ltd	Electrical Products	Quote/tender	55,322

6 For 2021 Bridge Year and 2022 Test Year, GPI anticipates that many of the same
7 vendors will be used as in prior years although it will continually search for new supplier
8 and materials to stay as cost efficient as possible to ultimately benefit GPI.

9 **6.2 ONE-TIME COSTS**

10 In addition to One-Time Regulatory Costs listed in Section 6.3 below, GPI also incurred
11 One-Time costs related to COVID-19. GPI confirms that incremental costs associated
12 with COVID-19 have been recorded in a deferral account and have not been included
13 in the OM&A for 2020 Actual, 2021 Bridge Year and 2022 Test Year.

6.3 REGULATORY COSTS

Regulatory Costs are provided in Exhibit 4, Tab 6, Attachment 1, which is OEB Appendix 2-M.

2022 Cost of Service Application Costs

In preparation of this Cost of Service Application, GPI incurred (and will continue to incur) incremental "One-Time" costs that it otherwise would not have incurred on an annual basis. These costs assume a written hearing, and if the OEB requires an oral hearing, GPI's regulatory costs will increase accordingly.

GPI has utilized a number of third-party resources to assist with the preparation of the application. Assistance was required to prepare the Distribution System Plan and the OEB rate application models and exhibits.

This application has also required a substantial amount of internal resources. It is noted that the One-Time regulatory costs do not include costs associated with GPI staff who worked on this application. Such costs are included in the respective OM&A Work Program cost (e.g. Supervision & Engineering, Executive, Management and Admin).

In compliance with the Filing Requirements, One-Time costs associated with this Cost of Service application are being amortized over a five-year period, starting in the 2022 Test Year.

GPI estimates that the total incremental costs associated with the Cost of Service application will be \$400,000. The total cost will be set-up as a pre-paid expense and one fifth of this amount will be amortized each year of the 4th Generation IR Term. With respect to recovery of this cost, one-fifth of the One-Time costs of \$400,000 are included in the 2022 revenue requirement (e.g. \$80,000). Over the 5 year period until the next re-basing this means that cumulatively the full \$400,000 will be recovered and the revenue received is planned to offset the amortized expense in each of the 5 years.

Table 4-39

Regulatory Costs specific to the 2022 Cost of Service

Cost of Service Expense	Amount
Legal	\$ 40,000
Customer Engagement	\$ 12,676
Consultant	\$150,000
DSP	\$ 75,000
Intervenor and OEB Cost	\$120,000
Miscellaneous	\$ 2,324
TOTAL	\$400,000
Amortized over 5 Years	\$ 80,000

In accordance with the Filing requirements, GPI commits to updating these forecasted costs in OEB Appendix 2-M at the Draft Rate Order stage of proceeding.

There is no cost related to the One-Time regulatory costs in 2021 as the 2016 cost was fully amortized over the 2016 to 2020 period.

6.4 ONGOING REGULATORY COSTS

GPI's ongoing regulatory costs consist mainly of the OEB Annual Assessment fee (\$29,400) and smaller amounts related to OEB initiated Section 30 costs and administration expenses.

These costs are required in order to meet all regulatory reporting requirements and reviewing and responding to changing policies, legislation and OEB requirements. In the 2022 Test Year, these costs are expected to be \$33,200 which is consistent with the level of expenditure approved by the OEB in the 2016 Decision (\$35,156) and actual incurred costs since then (e.g. 2020 Actual: \$33,680).

Table 4-40 is a summarized version of Appendix 2-M, which details regulatory costs for the 2016 Board Approved and Actual, 2020 Actual, 2021 Bridge Year and 2022 Test Year.



1

Table 4-40

2

OEB Appendix 2-M Regulatory Costs (Ongoing)

Regulatory Cost Category	USoA Account	2016 Board Approved	2016 Actual	2020 Actual	2021 Bridge Year	Annual % Change	2022 Test Year	Annual % Change
OEB Annual Assessment	5655	\$ 30,064	\$ 29,100	\$ 29,400	\$ 29,400	0.00%	\$ 29,400	0.00%
OEB Section 30 Costs (OEB-initiated)	5655	\$ 3,270	\$ 164	\$ 1,911	\$ 1,500	-21.51%	\$ 1,500	0.00%
Other regulatory agency fees or assessments	5655	\$ 800	\$ 800	\$ 800	\$ 800	0.00%	\$ 800	0.00%
Any other costs for regulatory matters	5655	\$ 1,022	\$ 1,242	\$ 1,569	\$ 1,500	-4.40%	\$ 1,500	0.00%
Amortization of Cost of Service Costs	5655	\$ 60,765	\$ 79,061	\$ 79,061			\$ 80,000	
Total		\$ 95,921	\$ 110,367	\$ 112,741	\$ 33,200	-70.55%	\$ 113,200	240.96%



Grimsby Power Inc.
Filed: July 30, 2021
EB-2021-0027
Exhibit 4
Tab 6
Attachment 1

ATTACHMENT 1

APPENDIX 2-M REGULATORY COSTS

Appendix 2-M
Regulatory Cost Schedule

Regulatory Cost Category	USoA Account	USoA Account Balance	Last Rebasing Year (2016 OEB Approved)	Last Rebasing Year (2016 Actual)	Most Current Actuals Year 2020	2021 Bridge Year	Annual % Change	2022 Test Year	Annual % Change
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)=[(G)-(F)]/(F)	(I)	(J) = [(I)-(G)]/(G)
Regulatory Costs (Ongoing)									
1 OEB Annual Assessment	5655		30,064	29,100	29,400	29,400	0.00%	29,400	0.00%
2 OEB Section 30 Costs (OEB-initiated)	5655		3,270	164	1,911	1,500	-21.51%	1,500	0.00%
3 Expert Witness costs for regulatory matters									
4 Legal costs for regulatory matters									
5 Consultants' costs for regulatory matters									
6 Operating expenses associated with staff resources allocated to regulatory matters									
7 Operating expenses associated with other resources allocated to regulatory matters ¹									
8 Other regulatory agency fees or assessments	5655		800	800	800	800	0.00%	800	0.00%
9 Any other costs for regulatory matters (please define)	5655		1,022	1,242	1,569	1,500	-4.41%	1,500	0.00%
10 Intervenor costs									
11 Include other items in green cells, as applicable									
Regulatory Costs (One-Time)									
1 Expert Witness costs									
2 Legal costs				26,835	26,835		-100.00%	120,000	
3 Consultants' costs	5655		49,765	29,239	29,239		-100.00%	180,000	
4 Incremental operating expenses associated with staff resources allocated to this application.									
5 Incremental operating expenses associated with other resources allocated to this application. ¹									
6 Intervenor costs	5655		11,000	17,939	17,939		-100.00%	100,000	
7 OEB Section 30 Costs (application-related)				5,048	5,048		-100.00%		
8 Include other items in green cells, as applicable									
1 Sub-total - Ongoing Costs ²		\$ -	\$ 35,156	\$ 31,306	\$ 33,680	\$ 33,200	-1.43%	\$ 33,200	0.00%
2 Sub-total - One-time Costs ³		\$ -	\$ 60,765	\$ 79,061	\$ 79,061	\$ -	-100.00%	\$ 400,000	
3 Total		\$ -	\$ 95,921	\$ 110,367	\$ 112,741	\$ 33,200	-70.55%	\$ 113,200	240.96%

Application-Related One-Time Costs	Total
Total One-Time Costs Related to Application to be Amortized over IRM Period	\$ 400,000
1/5 of Total One-Time Costs	\$ 80,000

Notes:

- ¹ Please identify the resources involved.
² Sum of all ongoing costs.
³ Sum of all one-time costs related to this application.

LEAP, CHARITABLE AND POLITICAL DONATIONS

7.1 LOW INCOME ENERGY ASSISTANCE PROGRAMS

In March 2009, the Board issued the Low Income Energy Assistance Program (the "LEAP Report") which described policies and measures for electricity and natural gas distributors to assist low-income energy consumers, including emergency financial assistance.

On October 20, 2010, the Board issued a letter to provide guidance to distributors as to the rate treatment of LEAP emergency financial assistance, and information about the Board's expectations for distributor partnerships with social service agencies.

The Board's letter stated the funding level for Emergency Financial Assistance as being the greater of 0.12% of a distributor's Board-approved distribution revenue requirement, or \$2,000 (minimum). Furthermore, the Board affirmed that the LEAP amount is to be recovered from all rate classes based on the respective distribution revenue of each of those rate classes.

Based on the GPI's Test Year proposed distribution service revenue requirement (\$7,069,531), GPI has included an amount of \$8,485 for LEAP funding, but will adjust this amount accordingly based on the final OEB approved revenue requirement in this Application.

GPI has not included donations, other than LEAP, in the calculation of the revenue requirement.

GPI has selected the *GBF Community Services* as its social agency and has signed an agreement for that organization to administer the LEAP funding.

GPI will ensure it will continue to report and comply with all regulatory requirements of the OEB with respect to its activities related to low-income consumers.

GPI currently is not required to advertise the LEAP program but is required to do so with the arrears program. With this, GPI responds to a customers' situation when



1 speaking to them about payment for the arrears. Should their individual financial
2 situation be such that based on income they would qualify, GPI gives them the *GBF's*
3 contact information. Furthermore, GPI includes information about both arrears payment
4 arrangements and LEAP in reminder letters to customers that are in arrears.

5 Low-income customers experiencing financial difficulties are asked to call GPI Customer
6 Account Representatives to discuss making payment arrangements or to find out
7 whether they may be eligible for other financial assistance.

8 GPI confirms that the 2022 Test Year revenue requirement includes only the annual
9 LEAP program cost of \$8,485 and no funding for legacy low-income energy assistance
10 programs is included.

11 **7.2 CHARITABLE AND POLITICAL DONATIONS**

12 In accordance with Chapter 2 of the Filing Requirements for Electricity Distribution Rate
13 Applications dated June 24, 2021 the recovery of charitable donations is not allowed
14 for rate setting purposes, except for contributions to programs that provide assistance
15 to the distributor's customers in paying their electricity bills and assistance to low
16 income customers. Accordingly, GPI has included only the above described LEAP
17 financial assistance amount in its 2022 Test Year revenue requirement.

18 GPI confirms that no political contributions have been included in the 2022 Test Year
19 revenue requirement.

DEPRECIATION AND AMORTIZATION

8.1 DEPRECIATION SUMMARY

Capital assets are recorded at cost and depreciated/amortized over their estimated service lives. Depreciation/amortization is recognized on a straight-line basis over the estimated useful life of each significant and identifiable component of an item of property, plant, and equipment.

Land and land rights are not depreciated.

Assets under construction (work in progress) are not depreciated until the project is complete and in service.

Depreciation of an asset begins in the year when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended.

For rate setting purposes, in the first year of service, depreciation is calculated using the half-year rule. Depreciation of an asset ceases when the asset is retired from active use, sold or is fully depreciated.

GPI does not have any asset retirement obligations or any associated depreciation or accretion expenses related to an asset retirement obligation.

GPI does not capitalized interest on capital projects. GPI does not have any capitalized borrowing costs in its historical capital assets costs and there are no capitalized borrowing costs in the forecasted 2021 Bridge Year or 2022 Test Year.

The estimated service lives of the various assets used in calculating amortization are set out in Appendix 2-BB. The Board sponsored Kinectrics study (K-418033-RA-001-R000, July 8, 2010), on which GPI has based its depreciation rates that were approved in GPI's last Cost of Service (EB-2015-0072), are presented below as Table 4-41.

Table 4-41
GPI Useful Life

USoA Account Number	Description	Useful Life
1611	Computer Software	5
1808	Buildings and Fixtures - NW MTS	50
1815	Transformer Station Equipment - Communications	10
1815	Transformer Station Equipment - Digital and Numeric Relays	20
1815	Transformer Station Equipment - Monitoring & Control Systems	20
1815	Transformer Station Equipment - Station Metal Clad Switchgear	40
1815	Transformer Station Equipment - Primary TR XLPE Cables in Duct	40
1815	Transformer Station Equipment - Secondary Cables in Duct	40
1815	Transformer Station Equipment - CTs & PTs	40
1815	Transformer Station Equipment - HAF Wind	40
1815	Transformer Station Equipment - Power Transformer	45
1815	Transformer Station Equipment - Station Switch	50
1815	Transformer Station Equipment - Rigid Busbars	55
1815	Transformer Station Equipment - Underground foundations	55
1830	Poles, Towers and Fixtures	45
1855	Services	60
1835	Overhead Conductors and Devices	60
1840	Underground Conduit	50
1850	Line Transformers	40
1845	Underground Conductors and Devices	30
1855	Services	35
1860	Meters Residential	15
1860	Meters GS <50	15
1860	Meters FIT and MicroFIT	15
1860	Meters GS >50	25
1860	Meters PME Whole Sale	25
1860	Meters CTs & PTs	35
1915	Office Furniture and Equipment	10
1930	Transportation Equipment - Trucks	15
1930	Transportation Equipment - Other Vehicles	8
1908	Buildings and Fixtures	50
1908	Buildings and Fixtures - Paving and Fencing	25
1908	Buildings and Fixtures - Other	40
1920	Computer Equipment - Hardware	5
1970	Load Management Controls Customer Premises	10
1935	Stores Equipment	10
1940	Tools, Shop and Garage Equipment	10
1945	Measurement and Testing Equipment	5
1955	Communication Equipment	10
1980	System Supervisor Equipment	20

1 GPI confirms that there have been:

- 2 • No changes to asset service lives since the last Cost of Service
- 3 • No additional studies to justify changes in useful life

4 **Table 4-42**

5 **Summary of Depreciation / Amortization by Year**
6 **2016 Board Approved to 2022 Test Year**

UsufA Account & Description	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Bridge Year	2022 Test Year
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS			MIFRS
1611 - Computer Software	123,870	109,480	89,836	59,193	33,364	25,282	25,133	21,176
1808 - Buildings and Fixtures	25,124	25,124	25,253	25,548	25,713	25,729	25,735	25,735
1815 - Transformer Station Equipment - Normally Primary Above 50 kV	217,663	217,920	224,916	229,671	233,433	236,842	237,871	240,996
1830 - Poles, Towers and Fixtures	115,198	116,777	120,748	124,417	129,353	136,983	153,717	184,328
1835 - Overhead Conductors and Devices	56,122	55,428	58,263	61,089	64,057	69,684	76,100	81,130
1840 - Underground Conduit	62,509	61,496	65,874	72,067	76,645	80,409	83,037	85,412
1845 - Underground Conductors and Devices	75,363	74,699	81,737	90,194	102,233	115,276	123,808	131,162
1850 - Line Transformers	140,199	138,975	146,052	154,860	163,829	171,770	177,901	183,428
1855 - Services Overhead	3,899	3,962	4,289	4,626	4,797	4,923	5,493	6,772
1855 - Services Underground	46,324	42,966	45,275	49,204	52,601	55,487	58,307	60,741
1860 - Meters	123,783	121,874	125,052	131,100	137,349	140,469	144,699	149,918
1860 - Meters >50	13,739	13,564	15,334	16,971	17,899	18,382	18,942	19,653
1860 - Meters CT's PT's	5,198	5,214	5,309	5,477	6,157	6,809	7,181	7,853
1908 - Buildings and Fixtures 50 Years	12,457	12,457	12,457	6,229	6,229	6,229	6,229	6,229
1908 - Buildings and Fixtures 40 Years	2,049	2,048	2,049	1,378	1,378	1,403	1,429	1,429
1908 - Buildings and Fixtures 25 Years	11,882	11,586	14,240	15,349	15,980	16,500	17,212	19,212
1915 - Office Furniture and Equipment	14,487	13,165	14,593	14,406	15,539	14,286	14,141	12,054
1920 - Computer Equipment - Hardware	28,716	19,372	16,125	11,525	14,078	19,769	21,871	22,899
1930 - Transportation Equipment	449	903	3,515	6,612	9,222	11,680	11,557	11,455
1930 - Transportation Equipment	35,391	45,121	36,576	59,439	77,123	82,361	85,069	87,851
1935 - Stores Equipment	-	598	1,196	1,196	1,196	5,328	9,460	9,460
1940 - Tools, Shop and Garage Equipment	20,199	20,441	20,109	19,275	21,851	23,925	23,122	22,601
1945 - Measurement and Testing Equipment	4,442	4,792	5,281	5,721	4,130	2,153	1,718	1,026
1955 - Communication Equipment	7,008	8,138	8,410	8,975	9,212	9,146	8,292	7,113
1960 - Miscellaneous Equipment	-	-	-	-	175	471	547	547
1970 - Load Management Controls - Customer Premises	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
1980 - System Supervisor Equipment	-	-	4,875	11,349	14,575	17,030	17,557	18,109
2440 - Deferred Revenue	(113,396)	(107,795)	(121,588)	(136,816)	(145,598)	(154,859)	(166,052)	(176,335)
Total Depreciation Amount	1,034,320	1,019,949	1,027,419	1,050,699	1,094,161	1,145,111	1,191,722	1,243,600

8 GPI confirms that the depreciation shown in the above Table 4-42 are the same as
9 shown in the OEB required Filing Appendix 2-BA.

10 The tables below show the depreciation and amortization expense from 2016 to
11 2022 Test year as shown in Appendix 2-C.



1 **Table 4-43**
 2 **Depreciation and Amortization Expense**
 3 **2016 Actual**

Account	Description	Book Values						
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1)	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions
		a	b	c = a-b	d	e	f = d-e	g
1611	Computer Software (Formally known as Account 1925)	\$ 289,366	\$ 262,678	\$ 26,688	\$ 774,616	\$ 289,826	\$ 484,791	\$ 36,259
1805	Land			\$ -	\$ 149,992		\$ 149,992	\$ -
1808	Buildings			\$ -	\$ 1,256,185		\$ 1,256,185	\$ -
1815	Transformer Station Equipment >50 kV (10)	\$ -		\$ -	\$ -		\$ -	\$ 52,225
1815	Transformer Station Equipment >50 kV (20)	\$ 732,310	\$ 524,507	\$ 207,803	\$ 732,310		\$ 732,310	\$ -
1815	Transformer Station Equipment >50 kV (40)	\$ 3,355,781	\$ 2,708,611	\$ 647,171	\$ 3,355,781	\$ 932,983	\$ 2,422,799	\$ 30,946
1815	Transformer Station Equipment >50 kV (45)	\$ 2,682,922	\$ 1,873,011	\$ 809,911	\$ 2,682,922	\$ 1,233,242	\$ 1,449,680	\$ -
1815	Transformer Station Equipment >50 kV (50)	\$ 77,279	\$ 54,001	\$ 23,277	\$ 77,279	\$ 36,853	\$ 40,426	\$ -
1815	Transformer Station Equipment >50 kV (55)	\$ 643,777	\$ 242,716	\$ 401,061	\$ 643,777	\$ 580,935	\$ 62,842	\$ -
1830	Poles, Towers & Fixtures	\$ 3,337,033	\$ 286,299	\$ 3,050,734	\$ 4,218,570	\$ 3,050,170	\$ 1,168,401	\$ 165,275
1835	Overhead Conductors & Devices	\$ 1,897,776	\$ 313,192	\$ 1,584,584	\$ 3,136,960	\$ 1,600,974	\$ 1,535,986	\$ 90,335
1840	Underground Conduit	\$ 1,853,805	\$ 253,180	\$ 1,600,625	\$ 2,400,775	\$ 1,675,114	\$ 725,661	\$ 89,556
1845	Underground Conductors & Devices	\$ 1,058,668	\$ 220,916	\$ 837,751	\$ 2,037,508	\$ 842,342	\$ 1,195,167	\$ 104,842
1850	Line Transformers	\$ 2,978,874	\$ 346,651	\$ 2,632,223	\$ 4,473,551	\$ 2,593,800	\$ 1,879,752	\$ 193,544
1855	Services Overhead	\$ 134,454	\$ 27,746	\$ 106,708	\$ 221,571	\$ 108,258	\$ 113,312	\$ 14,791
1855	Services Underground	\$ 505,122	\$ 259,545	\$ 245,577	\$ 1,465,886	\$ 267,581	\$ 1,198,305	\$ 56,493
1860	Meters 15yrs	\$ 1,519,758	\$ 1,254,177	\$ 265,581	\$ 1,795,911	\$ 267,753	\$ 1,528,158	\$ 22,568
1860	Meters >50	\$ 162,827	\$ 1,843	\$ 160,984	\$ 279,715	\$ 171,597	\$ 108,119	\$ 39,664
1860	Meters CT's & PT's	\$ 69,489	\$ 6,710	\$ 62,780	\$ 172,982	\$ 63,407	\$ 109,575	\$ 2,189
1905	Land	\$ 111,556		\$ 111,556	\$ 111,556		\$ 111,556	\$ -
1908	Buildings and Fixtures (50)	\$ 311,426	\$ 161,942	\$ 149,484	\$ 311,426		\$ 311,426	\$ -
1908	Buildings and Fixtures (40)	\$ 29,372	\$ 1,639	\$ 27,732	\$ 55,127	\$ 29,372	\$ 25,755	\$ -
1908	Buildings and Fixtures (25)	\$ 174,026	\$ 11,546	\$ 162,480	\$ 230,777	\$ 174,026	\$ 56,751	\$ 117,556
1915	Office Furniture & Equipment (10 years)	\$ 25,914	\$ 11,318	\$ 14,596	\$ 128,285	\$ 27,001	\$ 101,283	\$ 26,772
1920	Computer Equipment - Hardware	\$ 64,440	\$ 62,871	\$ 1,569	\$ 153,123	\$ 62,323	\$ 90,801	\$ 6,887
1930	Transportation Equipment (8)	\$ 17,876	\$ 15,830	\$ 2,046	\$ 21,466	\$ 14,417	\$ 7,049	
1930	Transportation Equipment (15)	\$ 22,698		\$ 22,698	\$ 344,950		\$ 344,950	\$ 359,940
1935	Stores Equipment			\$ -	\$ -		\$ -	\$ 11,963
1940	Tools, Shop & Garage Equipment	\$ 66,736	\$ 24,371	\$ 42,365	\$ 199,687	\$ 61,972	\$ 137,715	\$ 7,105
1945	Measurement & Testing Equipment	\$ 15,273	\$ 15,273	\$ -	\$ 37,485	\$ 15,273	\$ 22,211	\$ 3,493
1955	Communications Equipment			\$ -	\$ 70,080		\$ 70,080	\$ 260
1970	Load Management Controls Customer Premises			\$ -	\$ 16,439		\$ 16,439	\$ -
1995	Contributions & Grants -Transformer Station			\$ -	\$ (1,218,270)		\$ (1,218,270)	
1995	Contributions & Grants - Poles	\$ (13,087)	\$ 145	\$ (13,232)	\$ (105,928)	\$ (13,232)	\$ (92,696)	\$ (62,281)
1995	Contributions & Grants - OH Conductors	\$ (46,607)	\$ 388	\$ (46,996)	\$ (110,584)	\$ (46,996)	\$ (63,588)	\$ (14,841)
1995	Contributions & Grants - UG Conduit	\$ (149,904)	\$ 1,499	\$ (151,403)	\$ (295,432)	\$ (151,403)	\$ (144,029)	\$ (22,883)
1995	Contributions & Grants - UG Conductors	\$ (105,186)	\$ 1,753	\$ (106,939)	\$ (323,668)	\$ (106,939)	\$ (216,729)	\$ (65,433)
1995	Contributions & Grants - Line Transformers	\$ (173,796)	\$ 2,172	\$ (175,968)	\$ (689,255)	\$ (175,968)	\$ (513,286)	\$ (77,968)
1995	Contributions & Grants - Services OH	\$ (415)	\$ 3	\$ (418)	\$ (9,047)	\$ (418)	\$ (8,629)	\$ (581)
1995	Contributions & Grants - Services UG	\$ (201,560)	\$ 2,879	\$ (204,439)	\$ (874,140)	\$ (204,439)	\$ (669,700)	\$ (43,784)
1995	Contributions & Grants - Meters 15 years	\$ (11,159)	\$ 223	\$ (11,382)	\$ (105,973)	\$ (11,382)	\$ (94,591)	\$ (8,593)
1995	Contributions & Grants - Meters 25 years	\$ (5,489)	\$ 110	\$ (5,599)	\$ (25,332)	\$ (5,599)	\$ (19,733)	\$ (5,408)
1995	Contributions & Grants - Meters 35 years	\$ (2,127)	\$ 30	\$ (2,158)	\$ (16,837)	\$ (2,158)	\$ (14,680)	\$ (2,250)
1995	Contributions & Grants - Load Mgmt Control			\$ -	\$ (13,599)	\$ -	\$ (13,599)	
4	Total	\$ 21,429,228	\$ 8,949,776	\$ 12,479,451	\$ 27,768,627	\$ 13,380,683	\$ 14,387,944	\$ 1,128,640

Table 4-43
Depreciation and Amortization Expense
2016 Actual (cont'd)

Account	Description	Service Lives			
		Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions
		h	i = 1/h	j	k = 1/j
1611	Computer Software (Formally known as Account 1925)	3.00	33.33%	5.00	20.00%
1805	Land		0.00%		0.00%
1808	Buildings		0.00%	50.00	2.00%
1815	Transformer Station Equipment >50 kV (10)	10.00	10.00%	10.00	10.00%
1815	Transformer Station Equipment >50 kV (20)	8.00	12.50%	20.00	5.00%
1815	Transformer Station Equipment >50 kV (40)	28.00	3.57%	40.00	2.50%
1815	Transformer Station Equipment >50 kV (45)	33.00	3.03%	45.00	2.22%
1815	Transformer Station Equipment >50 kV (50)	38.00	2.63%	50.00	2.00%
1815	Transformer Station Equipment >50 kV (55)	43.00	2.33%	55.00	1.82%
1830	Poles, Towers & Fixtures	34.00	2.94%	45.00	2.22%
1835	Overhead Conductors & Devices	54.50	1.83%	60.00	1.67%
1840	Underground Conduit	34.73	2.88%	50.00	2.00%
1845	Underground Conductors & Devices	25.30	3.95%	30.00	3.33%
1850	Line Transformers	29.23	3.42%	40.00	2.50%
1855	Services Overhead	54.73	1.83%	60.00	1.67%
1855	Services Underground	31.00	3.23%	35.00	2.86%
1860	Meters 15yrs	13.80	7.25%	15.00	6.67%
1860	Meters >50	19.06	5.25%	25.00	4.00%
1860	Meters CT's & PT's	30.60	3.27%	35.00	2.86%
1905	Land		0.00%		0.00%
1908	Buildings and Fixtures (50)	24.00	4.17%	50.00	2.00%
1908	Buildings and Fixtures (40)	19.75	5.06%	40.00	2.50%
1908	Buildings and Fixtures (25)	23.33	4.29%	25.00	4.00%
1915	Office Furniture & Equipment (10 years)	5.67	17.64%	10.00	10.00%
1920	Computer Equipment - Hardware	3.00	33.33%	5.00	20.00%
1930	Transportation Equipment (8)	4.50	22.22%	8.00	12.50%
1930	Transportation Equipment (15)	2.25	44.44%	15.00	6.67%
1935	Stores Equipment		0.00%	10.00	10.00%
1940	Tools, Shop & Garage Equipment	6.71	14.90%	10.00	10.00%
1945	Measurement & Testing Equipment	1.50	66.67%	5.00	20.00%
1955	Communications Equipment		0.00%	8.50	11.76%
1970	Load Management Controls Customer Premises		0.00%	10.00	10.00%
1995	Contributions & Grants -Transformer Station	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Poles	45.00	2.22%	45.00	2.22%
1995	Contributions & Grants - OH Conductors	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - UG Conduit	50.00	2.00%	50.00	2.00%
1995	Contributions & Grants - UG Conductors	30.00	3.33%	30.00	3.33%
1995	Contributions & Grants - Line Transformers	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Services OH	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - Services UG	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Meters 15 years	15.00	6.67%	15.00	6.67%
1995	Contributions & Grants - Meters 25 years	25.00	4.00%	25.00	4.00%
1995	Contributions & Grants - Meters 35 years	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Load Mgmt Control	10.00	10.00%	10.00	10.00%
	Total				

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Table 4-43
Depreciation and Amortization Expense
2016 Actual (cont'd)

Account	Description	Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions	Total Current Year Depreciation Expense		
		$l = c/h$	$m = f/j$	$n = g \cdot 0.5/j$	$o = l+m+n$	p	$q = p-o$
1611	Computer Software (Formally known as Account 1925)	\$8,896	\$96,958	\$3,626	\$109,480	\$ 109,480	\$ 0
1805	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1808	Buildings	\$0	\$25,124	\$0	\$25,124	\$ 25,124	\$ -
1815	Transformer Station Equipment >50 kV (10)	\$0	\$0	\$2,611	\$2,611	\$ 2,611	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$25,975	\$36,615	\$0	\$62,591	\$ 62,590	\$ (0)
1815	Transformer Station Equipment >50 kV (40)	\$23,113	\$60,570	\$387	\$84,070	\$ 84,070	\$ (0)
1815	Transformer Station Equipment >50 kV (45)	\$24,543	\$32,215	\$0	\$56,758	\$ 56,758	\$ 0
1815	Transformer Station Equipment >50 kV (50)	\$613	\$809	\$0	\$1,421	\$ 1,421	\$ 0
1815	Transformer Station Equipment >50 kV (55)	\$9,327	\$1,143	\$0	\$10,470	\$ 10,470	\$ 0
1830	Poles, Towers & Fixtures	\$89,727	\$25,964	\$1,836	\$117,528	\$ 116,777	\$ (751)
1835	Overhead Conductors & Devices	\$29,075	\$25,600	\$753	\$55,428	\$ 55,428	\$ (0)
1840	Underground Conduit	\$46,088	\$14,513	\$896	\$61,496	\$ 61,496	\$ 0
1845	Underground Conductors & Devices	\$33,113	\$39,839	\$1,747	\$74,699	\$ 74,699	\$ 0
1850	Line Transformers	\$90,052	\$46,994	\$2,419	\$139,465	\$ 138,975	\$ (490)
1855	Services Overhead	\$1,950	\$1,889	\$123	\$3,962	\$ 3,962	\$ 0
1855	Services Underground	\$7,922	\$34,237	\$807	\$42,966	\$ 42,966	\$ (0)
1860	Meters 15yrs	\$19,245	\$101,877	\$752	\$121,874	\$ 121,874	\$ (0)
1860	Meters >50	\$8,446	\$4,325	\$793	\$13,564	\$ 13,564	\$ (0)
1860	Meters CT's & PT's	\$2,052	\$3,131	\$31	\$5,214	\$ 5,214	\$ 0
1905	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1908	Buildings and Fixtures (50)	\$6,229	\$6,229	\$0	\$12,457	\$ 12,457	\$ 0
1908	Buildings and Fixtures (40)	\$1,404	\$644	\$0	\$2,048	\$ 2,048	\$ 0
1908	Buildings and Fixtures (25)	\$6,964	\$2,270	\$2,351	\$11,586	\$ 11,586	\$ 0
1915	Office Furniture & Equipment (10 years)	\$2,574	\$10,128	\$1,339	\$14,041	\$ 13,165	\$ (876)
1920	Computer Equipment - Hardware	\$523	\$18,160	\$689	\$19,372	\$ 19,372	\$ 0
1930	Transportation Equipment (8)	\$455	\$881	\$0	\$1,336	\$ 903	\$ (432)
1930	Transportation Equipment (15)	\$10,088	\$22,997	\$11,998	\$45,083	\$ 45,121	\$ 38
1935	Stores Equipment	\$0	\$0	\$598	\$598	\$ 598	\$ 0
1940	Tools, Shop & Garage Equipment	\$6,314	\$13,772	\$355	\$20,441	\$ 20,441	\$ 0
1945	Measurement & Testing Equipment	\$0	\$4,442	\$349	\$4,792	\$ 4,792	\$ 0
1955	Communications Equipment	\$0	\$8,245	\$15	\$8,260	\$ 8,138	\$ (122)
1970	Load Management Controls Customer Premises	\$0	\$1,644	\$0	\$1,644	\$ 1,644	\$ 0
1995	Contributions & Grants - Transformer Station	\$0	(\$30,457)	\$0	(\$30,457)	\$ (30,457)	\$ (0)
1995	Contributions & Grants - Poles	(\$294)	(\$2,060)	(\$692)	(\$3,046)	\$ (3,046)	\$ (0)
1995	Contributions & Grants - OH Conductors	(\$783)	(\$1,060)	(\$124)	(\$1,967)	\$ (1,967)	\$ (0)
1995	Contributions & Grants - UG Conduit	(\$3,028)	(\$2,881)	(\$229)	(\$6,137)	\$ (6,137)	\$ 0
1995	Contributions & Grants - UG Conductors	(\$3,565)	(\$7,224)	(\$1,091)	(\$11,880)	\$ (11,880)	\$ 0
1995	Contributions & Grants - Line Transformers	(\$4,399)	(\$12,832)	(\$975)	(\$18,206)	\$ (18,206)	\$ 0
1995	Contributions & Grants - Services OH	(\$7)	(\$144)	(\$5)	(\$156)	\$ (156)	\$ 0
1995	Contributions & Grants - Services UG	(\$5,841)	(\$19,134)	(\$625)	(\$25,601)	\$ (25,601)	\$ 0
1995	Contributions & Grants - Meters 15 years	(\$759)	(\$6,306)	(\$286)	(\$7,351)	\$ (7,351)	\$ (0)
1995	Contributions & Grants - Meters 25 years	(\$224)	(\$789)	(\$108)	(\$1,121)	\$ (1,121)	\$ 0
1995	Contributions & Grants - Meters 35 years	(\$62)	(\$419)	(\$32)	(\$513)	\$ (513)	\$ (0)
1995	Contributions & Grants - Load Mgmt Control	\$0	(\$1,360)	\$0	(\$1,360)	\$ (1,360)	\$ (0)
	Total	\$ 435,725	\$ 556,547	\$ 30,310	\$ 1,022,582	\$ 1,019,949	\$ (2,633)

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Table 4-44
Depreciation and Amortization Expense
2017 Actual

Account	Description	Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1)	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions
		a	b	c = a-b	d	e	f = d - e	g
1611	Computer Software (Formally known as Account 1925)	\$ 289,366	\$ 289,366	\$ -	\$ 808,170	\$ 371,626	\$ 436,544	\$ 25,271
1805	Land			\$ -	\$ 149,992		\$ 149,992	\$ -
1808	Buildings and Fixtures (50)			\$ -	\$ 1,256,185		\$ 1,256,185	\$ -
1808	Buildings and Fixtures (25)			\$ -	\$ -		\$ -	\$ 6,468
1815	Transformer Station Equipment >50 kV (10)	\$ -		\$ -	\$ 52,225		\$ 52,225	\$ 50,963
1815	Transformer Station Equipment >50 kV (20)	\$ 732,310	\$ 524,507	\$ 207,803	\$ 732,310		\$ 732,310	\$ 57,978
1815	Transformer Station Equipment >50 kV (40)	\$ 3,355,781	\$ 2,708,611	\$ 647,171	\$ 3,386,728	\$ 932,983	\$ 2,453,745	\$ -
1815	Transformer Station Equipment >50 kV (45)	\$ 2,682,922	\$ 1,873,011	\$ 809,911	\$ 2,682,922	\$ 1,233,242	\$ 1,449,680	\$ -
1815	Transformer Station Equipment >50 kV (50)	\$ 77,279	\$ 54,001	\$ 23,277	\$ 77,279	\$ 36,853	\$ 40,426	\$ -
1815	Transformer Station Equipment >50 kV (55)	\$ 643,777	\$ 242,716	\$ 401,061	\$ 643,777	\$ 580,935	\$ 62,842	\$ -
1830	Poles, Towers & Fixtures	\$ 3,337,033	\$ 286,299	\$ 3,050,734	\$ 4,383,845	\$ 3,050,170	\$ 1,333,675	\$ 189,576
1835	Overhead Conductors & Devices	\$ 1,897,776	\$ 313,192	\$ 1,584,584	\$ 3,227,295	\$ 1,600,974	\$ 1,626,321	\$ 249,899
1840	Underground Conduit	\$ 1,853,805	\$ 253,180	\$ 1,600,625	\$ 2,490,331	\$ 1,675,114	\$ 815,217	\$ 348,205
1845	Underground Conductors & Devices	\$ 1,058,668	\$ 220,916	\$ 837,751	\$ 2,142,350	\$ 842,342	\$ 1,300,008	\$ 317,446
1850	Line Transformers	\$ 2,978,874	\$ 346,651	\$ 2,632,223	\$ 4,667,095	\$ 2,593,800	\$ 2,073,296	\$ 397,744
1855	Services Overhead	\$ 134,454	\$ 27,746	\$ 106,708	\$ 236,362	\$ 108,258	\$ 128,104	\$ 24,365
1855	Services Underground	\$ 505,122	\$ 259,545	\$ 245,577	\$ 1,522,379	\$ 267,120	\$ 1,255,259	\$ 104,183
1860	Meters 15yrs	\$ 1,519,758	\$ 1,254,177	\$ 265,581	\$ 1,818,479	\$ 267,753	\$ 1,550,725	\$ 72,752
1860	Meters >50	\$ 162,827	\$ 1,843	\$ 160,984	\$ 319,379	\$ 171,597	\$ 147,782	\$ 48,814
1860	Meters CT's & PT's	\$ 69,489	\$ 6,710	\$ 62,780	\$ 175,171	\$ 63,407	\$ 111,764	\$ 4,484
1905	Land	\$ 111,556		\$ 111,556	\$ 111,556		\$ 111,556	\$ -
1908	Buildings and Fixtures (50)	\$ 311,426	\$ 161,942	\$ 149,484	\$ 311,426		\$ 311,426	\$ -
1908	Buildings and Fixtures (40)	\$ 29,372	\$ 1,639	\$ 27,732	\$ 55,127	\$ 29,372	\$ 25,755	\$ -
1908	Buildings and Fixtures (25)	\$ 174,026	\$ 16,358	\$ 157,668	\$ 348,333	\$ 174,026	\$ 174,307	\$ 25,479
1915	Office Furniture & Equipment (10 years)	\$ 25,914	\$ 11,318	\$ 14,596	\$ 155,057	\$ 27,001	\$ 128,056	\$ 1,780
1920	Computer Equipment - Hardware	\$ 64,440	\$ 62,871	\$ 1,569	\$ 132,728	\$ 62,323	\$ 70,405	\$ 13,758
1930	Transportation Equipment (8)	\$ 17,876	\$ 17,876	\$ -	\$ 21,466	\$ 14,417	\$ 7,049	\$ 49,063
1930	Transportation Equipment (15)	\$ 22,698	\$ 22,698	\$ -	\$ 704,889		\$ 704,889	\$ -
1935	Stores Equipment			\$ -	\$ 11,963		\$ 11,963	\$ -
1940	Tools, Shop & Garage Equipment	\$ 66,736	\$ 28,884	\$ 37,852	\$ 206,792	\$ 62,118	\$ 144,674	\$ -
1945	Measurement & Testing Equipment	\$ 15,273	\$ 15,273	\$ -	\$ 40,977	\$ 16,287	\$ 24,690	\$ 3,431
1955	Communications Equipment			\$ -	\$ 66,586		\$ 66,586	\$ 5,953
1970	Load Management Controls Customer Premises			\$ -	\$ 16,439		\$ 16,439	\$ -
1980	System Supervisor Equipment			\$ -	\$ -		\$ -	\$ 194,995
1995	Contributions & Grants -Transformer Station			\$ -	\$ (1,218,270)		\$ (1,218,270)	
1995	Contributions & Grants - Poles	\$ (13,087)	\$ 145	\$ (13,232)	\$ (168,209)	\$ (13,232)	\$ (154,977)	\$ (40,712)
1995	Contributions & Grants - OH Conductors	\$ (46,607)	\$ 388	\$ (46,996)	\$ (125,425)	\$ (46,996)	\$ (78,429)	\$ (52,308)
1995	Contributions & Grants - UG Conduit	\$ (149,904)	\$ 1,499	\$ (151,403)	\$ (318,315)	\$ (151,403)	\$ (166,912)	\$ (205,711)
1995	Contributions & Grants - UG Conductors	\$ (105,186)	\$ 1,753	\$ (106,939)	\$ (389,102)	\$ (106,939)	\$ (282,163)	\$ (135,203)
1995	Contributions & Grants - Line Transformers	\$ (173,796)	\$ 2,172	\$ (175,968)	\$ (767,222)	\$ (175,968)	\$ (591,254)	\$ (184,045)
1995	Contributions & Grants - Services OH	\$ (415)	\$ 3	\$ (418)	\$ (9,628)	\$ (418)	\$ (9,210)	\$ (1,474)
1995	Contributions & Grants - Services UG	\$ (201,560)	\$ 2,879	\$ (204,439)	\$ (917,924)	\$ (204,439)	\$ (713,484)	\$ (62,983)
1995	Contributions & Grants - Meters 15 years	\$ (11,159)	\$ 223	\$ (11,382)	\$ (114,565)	\$ (11,382)	\$ (103,184)	\$ (30,766)
1995	Contributions & Grants - Meters 25 years	\$ (5,489)	\$ 110	\$ (5,599)	\$ (30,740)	\$ (5,599)	\$ (25,141)	\$ (6,761)
1995	Contributions & Grants - Meters 35 years	\$ (2,127)	\$ 30	\$ (2,158)	\$ (19,087)	\$ (2,158)	\$ (16,929)	\$ (3,821)
1995	Contributions & Grants - Load Mgmt Control			\$ -	\$ (13,599)		\$ (13,599)	
4	Total	\$21,429,228	\$9,010,533	\$12,418,695	\$28,863,524	\$13,463,183	\$15,400,342	\$1,468,825

Table 4-44
Depreciation and Amortization Expense
2017 Actual (cont'd)

Description	Service Lives			
	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions
	h	i = 1/h	j	k = 1/j
Computer Software (Formally known as Account 1925)	3.00	33.33%	5.00	20.00%
Land		0.00%		0.00%
Buildings and Fixtures (50)		0.00%	50.00	2.00%
Buildings and Fixtures (25)		0.00%	25.00	4.00%
Transformer Station Equipment >50 kV (10)	10.00	10.00%	10.00	10.00%
Transformer Station Equipment >50 kV (20)	8.00	12.50%	20.00	5.00%
Transformer Station Equipment >50 kV (40)	28.00	3.57%	40.00	2.50%
Transformer Station Equipment >50 kV (45)	33.00	3.03%	45.00	2.22%
Transformer Station Equipment >50 kV (50)	38.00	2.63%	50.00	2.00%
Transformer Station Equipment >50 kV (55)	43.00	2.33%	55.00	1.82%
Poles, Towers & Fixtures	34.00	2.94%	45.00	2.22%
Overhead Conductors & Devices	54.50	1.83%	60.00	1.67%
Underground Conduit	34.73	2.88%	50.00	2.00%
Underground Conductors & Devices	25.30	3.95%	30.00	3.33%
Line Transformers	29.23	3.42%	40.00	2.50%
Services Overhead	54.73	1.83%	60.00	1.67%
Services Underground	31.00	3.23%	35.00	2.86%
Meters 15yrs	13.80	7.25%	15.00	6.67%
Meters >50	19.06	5.25%	25.00	4.00%
Meters CT's & PT's	30.60	3.27%	35.00	2.86%
Land		0.00%		0.00%
Buildings and Fixtures (50)	24.00	4.17%	50.00	2.00%
Buildings and Fixtures (40)	19.75	5.06%	40.00	2.50%
Buildings and Fixtures (25)	23.33	4.29%	25.00	4.00%
Office Furniture & Equipment (10 years)	5.67	17.64%	10.00	10.00%
Computer Equipment - Hardware	3.00	33.33%	5.00	20.00%
Transportation Equipment (8)	4.50	22.22%	8.00	12.50%
Transportation Equipment (15)	2.25	44.44%	15.00	6.67%
Stores Equipment		0.00%	10.00	10.00%
Tools, Shop & Garage Equipment	6.71	14.90%	10.00	10.00%
Measurement & Testing Equipment	1.50	66.67%	5.00	20.00%
Communications Equipment		0.00%	8.50	11.76%
Load Management Controls Customer Premises		0.00%	10.00	10.00%
System Supervisor Equipment		0.00%	20.00	5.00%
Contributions & Grants -Transformer Station	40.00	2.50%	40.00	2.50%
Contributions & Grants - Poles	45.00	2.22%	45.00	2.22%
Contributions & Grants - OH Conductors	60.00	1.67%	60.00	1.67%
Contributions & Grants - UG Conduit	50.00	2.00%	50.00	2.00%
Contributions & Grants - UG Conductors	30.00	3.33%	30.00	3.33%
Contributions & Grants - Line Transformers	40.00	2.50%	40.00	2.50%
Contributions & Grants - Services OH	60.00	1.67%	60.00	1.67%
Contributions & Grants - Services UG	35.00	2.86%	35.00	2.86%
Contributions & Grants - Meters 15 years	15.00	6.67%	15.00	6.67%
Contributions & Grants - Meters 25 years	25.00	4.00%	25.00	4.00%
Contributions & Grants - Meters 35 years	35.00	2.86%	35.00	2.86%
Contributions & Grants - Load Mgmt Control	10.00	10.00%	10.00	10.00%
Total				

Table 4-44
Depreciation and Amortization Expense
2017 Actual (cont'd)

Account	Description	Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions	Total Current Year Depreciation Expense		
		$l = c/h$	$m = f/j$	$n = g*0.5/j$	$o = l+m+n$	p	$q = p-o$
1611	Computer Software (Formally known as Account 1925)	0	87,309	2,527	89,836	\$ 89,836	\$ 0
1805	Land	0	0	0	0	\$ -	\$ -
1808	Buildings and Fixtures (50)	0	25,124	0	25,124	\$ 25,124	\$ -
1808	Buildings and Fixtures (25)	0	0	129	129	\$ 129	\$ -
1815	Transformer Station Equipment >50 kV (10)	0	5,222	2,548	7,771	\$ 7,771	\$ -
1815	Transformer Station Equipment >50 kV (20)	25,975	36,615	1,449	64,040	\$ 64,040	\$ (0)
1815	Transformer Station Equipment >50 kV (40)	23,113	61,344	0	84,457	\$ 84,457	\$ (0)
1815	Transformer Station Equipment >50 kV (45)	24,543	32,215	0	56,758	\$ 56,758	\$ 0
1815	Transformer Station Equipment >50 kV (50)	613	809	0	1,421	\$ 1,421	\$ 0
1815	Transformer Station Equipment >50 kV (55)	9,327	1,143	0	10,470	\$ 10,470	\$ 0
1830	Poles, Towers & Fixtures	89,727	29,637	2,106	121,471	\$ 120,748	\$ (724)
1835	Overhead Conductors & Devices	29,075	27,105	2,082	58,263	\$ 58,263	\$ 0
1840	Underground Conduit	46,088	16,304	3,482	65,874	\$ 65,874	\$ 0
1845	Underground Conductors & Devices	33,113	43,334	5,291	81,737	\$ 81,737	\$ (0)
1850	Line Transformers	90,052	51,832	4,972	146,856	\$ 146,052	\$ (805)
1855	Services Overhead	1,950	2,135	203	4,288	\$ 4,289	\$ 1
1855	Services Underground	7,922	35,865	1,488	45,275	\$ 45,275	\$ (0)
1860	Meters 15yrs	19,245	103,382	2,425	125,052	\$ 125,052	\$ 0
1860	Meters >50	8,446	5,911	976	15,334	\$ 15,334	\$ (0)
1860	Meters CT's & PT's	2,052	3,193	64	5,309	\$ 5,309	\$ (0)
1905	Land	0	0	0	0	\$ -	\$ -
1908	Buildings and Fixtures (50)	6,229	6,229	0	12,457	\$ 12,457	\$ 0
1908	Buildings and Fixtures (40)	1,404	644	0	2,048	\$ 2,049	\$ 1
1908	Buildings and Fixtures (25)	6,758	6,972	510	14,240	\$ 14,240	\$ 0
1915	Office Furniture & Equipment (10 years)	2,574	12,806	89	15,469	\$ 14,593	\$ (876)
1920	Computer Equipment - Hardware	523	14,081	1,376	15,980	\$ 16,125	\$ 146
1930	Transportation Equipment (8)	0	881	3,066	3,948	\$ 3,515	\$ (432)
1930	Transportation Equipment (15)	0	46,993	0	46,993	\$ 36,576	\$ (10,416)
1935	Stores Equipment	0	1,196	0	1,196	\$ 1,196	\$ 0
1940	Tools, Shop & Garage Equipment	5,641	14,467	0	20,109	\$ 20,109	\$ (0)
1945	Measurement & Testing Equipment	0	4,938	343	5,281	\$ 5,281	\$ 0
1955	Communications Equipment	0	7,834	350	8,184	\$ 8,410	\$ 227
1970	Load Management Controls Customer Premises	0	1,644	0	1,644	\$ 1,644	\$ 0
1980	System Supervisor Equipment	0	0	4,875	4,875	\$ 4,875	\$ 0
1995	Contributions & Grants -Transformer Station	0	(30,457)	0	(30,457)	\$ (30,457)	\$ (0)
1995	Contributions & Grants - Poles	(294)	(3,444)	(452)	(4,190)	\$ (4,190)	\$ (0)
1995	Contributions & Grants - OH Conductors	(783)	(1,307)	(436)	(2,526)	\$ (2,526)	\$ -
1995	Contributions & Grants - UG Conduit	(3,028)	(3,338)	(2,057)	(8,423)	\$ (8,423)	\$ -
1995	Contributions & Grants - UG Conductors	(3,565)	(9,405)	(2,253)	(15,223)	\$ (15,223)	\$ 0
1995	Contributions & Grants - Line Transformers	(4,399)	(14,781)	(2,301)	(21,481)	\$ (21,481)	\$ 0
1995	Contributions & Grants - Services OH	(7)	(154)	(12)	(173)	\$ (173)	\$ (0)
1995	Contributions & Grants - Services UG	(5,841)	(20,385)	(900)	(27,126)	\$ (27,126)	\$ 0
1995	Contributions & Grants - Meters 15 years	(759)	(6,879)	(1,026)	(8,663)	\$ (8,663)	\$ 0
1995	Contributions & Grants - Meters 25 years	(224)	(1,006)	(135)	(1,365)	\$ (1,365)	\$ -
1995	Contributions & Grants - Meters 35 years	(62)	(484)	(55)	(600)	\$ (600)	\$ 0
1995	Contributions & Grants - Load Mgmt Control	0	(1,360)	0	(1,360)	\$ 1,360	\$ -
	Total	415,408	594,164	30,727	1,040,298	\$1,027,419	(\$12,879)



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Table 4-45
Depreciation and Amortization Expense
2018 Actual

Account	Description	Book Values						
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1)	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions
		a	b	c = a-b	d	e	f = d-e	g
1611	Computer Software (Formally known as Account 1925)	\$ 289,366	\$ 289,366	\$ -	\$ 833,442	\$ 549,601	\$ 283,840	\$ 24,245
1805	Land			\$ -	\$ 149,992		\$ 149,992	\$ -
1808	Buildings and Fixtures (50)			\$ -	\$ 1,256,185		\$ 1,256,185	\$ -
1808	Buildings and Fixtures (25)			\$ -	\$ 6,468		\$ 6,468	\$ 8,256
1815	Transformer Station Equipment >50 kV (10)	\$ -		\$ -	\$ 103,188		\$ 103,188	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$ 732,310	\$ 524,507	\$ 207,803	\$ 790,288		\$ 790,288	\$ 8,384
1815	Transformer Station Equipment >50 kV (40)	\$ 3,355,781	\$ 2,708,611	\$ 647,171	\$ 3,386,728	\$ 932,983	\$ 2,453,745	\$ 43,800
1815	Transformer Station Equipment >50 kV (45)	\$ 2,682,922	\$ 1,873,011	\$ 809,911	\$ 2,682,922	\$ 1,233,242	\$ 1,449,680	\$ -
1815	Transformer Station Equipment >50 kV (50)	\$ 77,279	\$ 54,001	\$ 23,277	\$ 77,279	\$ 36,853	\$ 40,426	\$ -
1815	Transformer Station Equipment >50 kV (55)	\$ 643,777	\$ 242,716	\$ 401,061	\$ 643,777	\$ 580,935	\$ 62,842	\$ -
1830	Poles, Towers & Fixtures	\$ 3,337,033	\$ 286,299	\$ 3,050,734	\$ 4,537,411	\$ 3,050,170	\$ 1,487,241	\$ 147,603
1835	Overhead Conductors & Devices	\$ 1,897,776	\$ 313,192	\$ 1,584,584	\$ 3,474,261	\$ 1,600,974	\$ 1,873,287	\$ 89,216
1840	Underground Conduit	\$ 1,853,805	\$ 253,180	\$ 1,600,625	\$ 2,838,536	\$ 1,675,114	\$ 1,163,422	\$ 271,079
1845	Underground Conductors & Devices	\$ 1,058,668	\$ 220,916	\$ 837,751	\$ 2,459,796	\$ 842,342	\$ 1,617,454	\$ 189,997
1850	Line Transformers	\$ 2,978,874	\$ 346,651	\$ 2,632,223	\$ 5,060,789	\$ 2,593,800	\$ 2,466,990	\$ 312,527
1855	Services Overhead	\$ 134,454	\$ 27,746	\$ 106,708	\$ 259,814	\$ 108,258	\$ 151,555	\$ 16,096
1855	Services Underground	\$ 505,122	\$ 259,545	\$ 245,577	\$ 1,626,483	\$ 267,120	\$ 1,359,362	\$ 169,973
1860	Meters 15yrs	\$ 1,519,758	\$ 1,254,177	\$ 265,581	\$ 1,891,231	\$ 267,753	\$ 1,623,478	\$ 108,699
1860	Meters >50	\$ 162,827	\$ 1,843	\$ 160,984	\$ 368,193	\$ 171,597	\$ 196,596	\$ 33,041
1860	Meters CT's & PT's	\$ 69,489	\$ 6,710	\$ 62,780	\$ 179,655	\$ 63,407	\$ 116,248	\$ 7,279
1905	Land	\$ 111,556		\$ 111,556	\$ 111,556		\$ 111,556	\$ -
1908	Buildings and Fixtures (50)	\$ 311,426	\$ 311,426	\$ -	\$ 311,426		\$ 311,426	\$ -
1908	Buildings and Fixtures (40)	\$ 29,372	\$ 14,869	\$ 14,502	\$ 55,127	\$ 29,372	\$ 25,755	\$ -
1908	Buildings and Fixtures (25)	\$ 174,026	\$ 16,358	\$ 157,668	\$ 373,812	\$ 174,026	\$ 199,786	\$ 21,137
1915	Office Furniture & Equipment (10 years)	\$ 25,914	\$ 11,318	\$ 14,596	\$ 156,837	\$ 27,001	\$ 129,836	\$ 6,432
1920	Computer Equipment - Hardware	\$ 64,440	\$ 62,871	\$ 1,569	\$ 145,532	\$ 89,754	\$ 55,778	\$ 3,695
1930	Transportation Equipment (8)	\$ 17,876	\$ 17,876	\$ -	\$ 70,529	\$ 14,417	\$ 56,112	\$ 480
1930	Transportation Equipment (15)	\$ 22,698	\$ 22,698	\$ -	\$ 704,889		\$ 704,889	\$ 373,388
1935	Stores Equipment			\$ -	\$ 11,963		\$ 11,963	\$ -
1940	Tools, Shop & Garage Equipment	\$ 66,736	\$ 30,967	\$ 35,769	\$ 206,646	\$ 62,118	\$ 144,528	\$ 1,126
1945	Measurement & Testing Equipment	\$ 15,273	\$ 15,273	\$ -	\$ 44,408	\$ 17,302	\$ 27,107	\$ 2,995
1955	Communications Equipment			\$ -	\$ 72,539		\$ 72,539	\$ 1,310
1970	Load Management Controls Customer Premises			\$ -	\$ 16,439		\$ 16,439	\$ -
1980	System Supervisor Equipment			\$ -	\$ 194,995		\$ 194,995	\$ 63,985
1995	Contributions & Grants -Transformer Station			\$ -	\$ (1,218,270)		\$ (1,218,270)	
1995	Contributions & Grants - Poles	\$ (13,087)	\$ 145	\$ (13,232)	\$ (208,921)	\$ (13,232)	\$ (195,689)	\$ (14,943)
1995	Contributions & Grants - OH Conductors	\$ (46,607)	\$ 388	\$ (46,996)	\$ (177,733)	\$ (46,996)	\$ (130,737)	\$ (35,924)
1995	Contributions & Grants - UG Conduit	\$ (149,904)	\$ 1,499	\$ (151,403)	\$ (524,026)	\$ (151,403)	\$ (372,623)	\$ (42,456)
1995	Contributions & Grants - UG Conductors	\$ (105,186)	\$ 1,753	\$ (106,939)	\$ (524,305)	\$ (106,939)	\$ (417,366)	\$ (49,168)
1995	Contributions & Grants - Line Transformers	\$ (173,796)	\$ 2,172	\$ (175,968)	\$ (951,267)	\$ (175,968)	\$ (775,299)	\$ (57,184)
1995	Contributions & Grants - Services OH	\$ (415)	\$ 3	\$ (418)	\$ (11,103)	\$ (418)	\$ (10,684)	\$ (252)
1995	Contributions & Grants - Services UG	\$ (201,560)	\$ 2,879	\$ (204,439)	\$ (980,906)	\$ (204,439)	\$ (776,467)	\$ (106,535)
1995	Contributions & Grants - Meters 15 years	\$ (11,159)	\$ 223	\$ (11,382)	\$ (145,331)	\$ (11,382)	\$ (133,949)	\$ (41,503)
1995	Contributions & Grants - Meters 25 years	\$ (5,489)	\$ 110	\$ (5,599)	\$ (37,501)	\$ (5,599)	\$ (31,902)	\$ (8,613)
1995	Contributions & Grants - Meters 35 years	\$ (2,127)	\$ 30	\$ (2,158)	\$ (22,908)	\$ (2,158)	\$ (20,750)	\$ (6,829)
1995	Contributions & Grants - Load Mgmt Control			\$ -	\$ (13,599)		\$ (13,599)	
	Total	\$21,429,228	\$9,175,331	\$12,253,897	\$30,287,264	\$13,669,603	\$16,617,660	\$1,541,337

Table 4-45
Depreciation and Amortization Expense
2018 Actual (cont'd)

Account	Description	Service Lives			
		Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions
		h	i = 1/h	j	k = 1/j
1611	Computer Software (Formally known as Account 1925)	3.00	33.33%	5.00	20.00%
1805	Land	-	0.00%	-	0.00%
1808	Buildings and Fixtures (50)	-	0.00%	50.00	2.00%
1808	Buildings and Fixtures (25)	-	0.00%	25.00	4.00%
1815	Transformer Station Equipment >50 kV (10)	10.00	10.00%	10.00	10.00%
1815	Transformer Station Equipment >50 kV (20)	8.00	12.50%	20.00	5.00%
1815	Transformer Station Equipment >50 kV (40)	28.00	3.57%	40.00	2.50%
1815	Transformer Station Equipment >50 kV (45)	33.00	3.03%	45.00	2.22%
1815	Transformer Station Equipment >50 kV (50)	38.00	2.63%	50.00	2.00%
1815	Transformer Station Equipment >50 kV (55)	43.00	2.33%	55.00	1.82%
1830	Poles, Towers & Fixtures	34.00	2.94%	45.00	2.22%
1835	Overhead Conductors & Devices	54.50	1.83%	60.00	1.67%
1840	Underground Conduit	34.73	2.88%	50.00	2.00%
1845	Underground Conductors & Devices	25.30	3.95%	30.00	3.33%
1850	Line Transformers	29.23	3.42%	40.00	2.50%
1855	Services Overhead	54.73	1.83%	60.00	1.67%
1855	Services Underground	31.00	3.23%	35.00	2.86%
1860	Meters 15yrs	13.80	7.25%	15.00	6.67%
1860	Meters >50	19.06	5.25%	25.00	4.00%
1860	Meters CT's & PT's	30.60	3.27%	35.00	2.86%
1905	Land	-	0.00%	-	0.00%
1908	Buildings and Fixtures (50)	24.00	4.17%	50.00	2.00%
1908	Buildings and Fixtures (40)	19.75	5.06%	40.00	2.50%
1908	Buildings and Fixtures (25)	23.33	4.29%	25.00	4.00%
1915	Office Furniture & Equipment (10 years)	5.67	17.64%	10.00	10.00%
1920	Computer Equipment - Hardware	3.00	33.33%	5.00	20.00%
1930	Transportation Equipment (8)	4.50	22.22%	8.00	12.50%
1930	Transportation Equipment (15)	2.25	44.44%	15.00	6.67%
1935	Stores Equipment	-	0.00%	10.00	10.00%
1940	Tools, Shop & Garage Equipment	6.71	14.90%	10.00	10.00%
1945	Measurement & Testing Equipment	1.50	66.67%	5.00	20.00%
1955	Communications Equipment	-	0.00%	8.50	11.76%
1970	Load Management Controls Customer Premises	-	0.00%	10.00	10.00%
1980	System Supervisor Equipment	-	0.00%	20.00	5.00%
1995	Contributions & Grants -Transformer Station	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Poles	45.00	2.22%	45.00	2.22%
1995	Contributions & Grants - OH Conductors	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - UG Conduit	50.00	2.00%	50.00	2.00%
1995	Contributions & Grants - UG Conductors	30.00	3.33%	30.00	3.33%
1995	Contributions & Grants - Line Transformers	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Services OH	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - Services UG	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Meters 15 years	15.00	6.67%	15.00	6.67%
1995	Contributions & Grants - Meters 25 years	25.00	4.00%	25.00	4.00%
1995	Contributions & Grants - Meters 35 years	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Load Mgmt Control	10.00	10.00%	10.00	10.00%
	Total				



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Table 4-45
Depreciation and Amortization Expense
2018 Actual (cont'd)

Account	Description	Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions	Total Current Year Depreciation Expense		
		$l = c/h$	$m = f/j$	$n = g*0.5/j$	$o = l+m+n$	p	$q = p-o$
1611	Computer Software (Formally known as Account 1925)	0	56,768	2,425	59,193	\$ 59,193	\$ (0)
1805	Land	0	0	0	0	\$ -	\$ -
1808	Buildings and Fixtures (50)	0	25,124	0	25,124	\$ 25,124	\$ -
1808	Buildings and Fixtures (25)	0	259	165	424	\$ 424	\$ (0)
1815	Transformer Station Equipment >50 kV (10)	0	10,319	0	10,319	\$ 10,319	\$ -
1815	Transformer Station Equipment >50 kV (20)	25,975	39,514	210	65,699	\$ 65,699	\$ (0)
1815	Transformer Station Equipment >50 kV (40)	23,113	61,344	548	85,004	\$ 85,004	\$ (0)
1815	Transformer Station Equipment >50 kV (45)	24,543	32,215	0	56,758	\$ 56,758	\$ 0
1815	Transformer Station Equipment >50 kV (50)	613	809	0	1,421	\$ 1,421	\$ 0
1815	Transformer Station Equipment >50 kV (55)	9,327	1,143	0	10,470	\$ 10,470	\$ 0
1830	Poles, Towers & Fixtures	89,727	33,050	1,640	124,417	\$ 124,417	\$ (0)
1835	Overhead Conductors & Devices	29,075	31,221	743	61,040	\$ 61,089	\$ 49
1840	Underground Conduit	46,088	23,268	2,711	72,067	\$ 72,067	\$ 0
1845	Underground Conductors & Devices	33,113	53,915	3,167	90,194	\$ 90,194	\$ (0)
1850	Line Transformers	90,052	61,675	3,907	155,633	\$ 154,860	\$ (773)
1855	Services Overhead	1,950	2,526	134	4,610	\$ 4,626	\$ 17
1855	Services Underground	7,922	38,839	2,428	49,189	\$ 49,204	\$ 15
1860	Meters 15yrs	19,245	108,232	3,623	131,100	\$ 131,100	\$ 0
1860	Meters >50	8,446	7,864	661	16,971	\$ 16,971	\$ 0
1860	Meters CT's & PT's	2,052	3,321	104	5,477	\$ 5,477	\$ 0
1905	Land	0	0	0	0	\$ -	\$ -
1908	Buildings and Fixtures (50)	0	6,229	0	6,229	\$ 6,229	\$ 0
1908	Buildings and Fixtures (40)	734	644	0	1,378	\$ 1,378	\$ (0)
1908	Buildings and Fixtures (25)	6,758	7,991	423	15,172	\$ 15,349	\$ 177
1915	Office Furniture & Equipment (10 years)	2,574	12,984	322	15,879	\$ 14,406	\$ (1,474)
1920	Computer Equipment - Hardware	523	11,156	370	12,048	\$ 11,525	\$ (523)
1930	Transportation Equipment (8)	0	7,014	30	7,044	\$ 6,612	\$ (432)
1930	Transportation Equipment (15)	0	46,993	12,446	59,439	\$ 59,439	\$ 0
1935	Stores Equipment	0	1,196	0	1,196	\$ 1,196	\$ 0
1940	Tools, Shop & Garage Equipment	5,331	14,453	56	19,840	\$ 19,275	\$ (564)
1945	Measurement & Testing Equipment	0	5,421	300	5,721	\$ 5,721	\$ (0)
1955	Communications Equipment	0	8,534	77	8,611	\$ 8,975	\$ 364
1970	Load Management Controls Customer Premises	0	1,644	0	1,644	\$ 1,644	\$ 0
1980	System Supervisor Equipment	0	9,750	1,600	11,349	\$ 11,349	\$ (0)
1995	Contributions & Grants -Transformer Station	0	(30,457)	0	(30,457)	\$ (30,457)	\$ 0
1995	Contributions & Grants - Poles	(294)	(4,349)	(166)	(4,809)	\$ (4,809)	\$ (0)
1995	Contributions & Grants - OH Conductors	(783)	(2,179)	(299)	(3,262)	\$ (3,262)	\$ 0
1995	Contributions & Grants - UG Conduit	(3,028)	(7,452)	(425)	(10,905)	\$ (10,905)	\$ -
1995	Contributions & Grants - UG Conductors	(3,565)	(13,912)	(819)	(18,296)	\$ (18,296)	\$ (0)
1995	Contributions & Grants - Line Transformers	(4,399)	(19,382)	(715)	(24,496)	\$ (24,496)	\$ (0)
1995	Contributions & Grants - Services OH	(7)	(178)	(2)	(187)	\$ (187)	\$ 0
1995	Contributions & Grants - Services UG	(5,841)	(22,185)	(1,522)	(29,548)	\$ (29,548)	\$ 0
1995	Contributions & Grants - Meters 15 years	(759)	(8,930)	(1,383)	(11,072)	\$ (11,072)	\$ 0
1995	Contributions & Grants - Meters 25 years	(224)	(1,276)	(172)	(1,672)	\$ (1,672)	\$ 0
1995	Contributions & Grants - Meters 35 years	(62)	(593)	(98)	(752)	\$ (752)	\$ (0)
1995	Contributions & Grants - Load Mgmt Control	0	(1,360)	0	(1,360)	\$ (1,360)	\$ (0)
4	Total	408,199	613,160	32,486	1,053,844	\$1,050,699	(\$3,145)

1 **Table 4-46**
2 **Depreciation and Amortization Expense**
3 **2019 Actual**

Account	Description	Book Values						
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1)	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions
		a	b	c = a-b	d	e	f = d - e	g
1611	Computer Software (Formally known as Account 1925)	\$ 289,366	\$ 289,366	\$ -	\$ 857,687	\$ 690,868	\$ 166,818	\$ -
1805	Land			\$ -	\$ 149,992		\$ 149,992	\$ -
1808	Buildings and Fixtures (50)			\$ -	\$ 1,256,185		\$ 1,256,185	\$ -
1808	Buildings and Fixtures (25)			\$ -	\$ 14,724		\$ 14,724	\$ 280
1815	Transformer Station Equipment >50 kV (10)	\$ -		\$ -	\$ 103,188		\$ 103,188	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$ 732,310	\$ 524,507	\$ 207,803	\$ 798,672		\$ 798,672	\$ 106,683
1815	Transformer Station Equipment >50 kV (40)	\$ 3,355,781	\$ 2,708,611	\$ 647,171	\$ 3,430,528	\$ 932,983	\$ 2,497,545	\$ 27,046
1815	Transformer Station Equipment >50 kV (45)	\$ 2,682,922	\$ 1,873,011	\$ 809,911	\$ 2,682,922	\$ 1,233,242	\$ 1,449,680	\$ -
1815	Transformer Station Equipment >50 kV (50)	\$ 77,279	\$ 54,001	\$ 23,277	\$ 77,279	\$ 36,853	\$ 40,426	\$ -
1815	Transformer Station Equipment >50 kV (55)	\$ 643,777	\$ 242,716	\$ 401,061	\$ 643,777	\$ 580,935	\$ 62,842	\$ -
1830	Poles, Towers & Fixtures	\$ 3,337,033	\$ 286,299	\$ 3,050,734	\$ 4,685,014	\$ 3,050,170	\$ 1,634,845	\$ 296,580
1835	Overhead Conductors & Devices	\$ 1,897,776	\$ 313,192	\$ 1,584,584	\$ 3,563,477	\$ 1,600,974	\$ 1,962,503	\$ 266,921
1840	Underground Conduit	\$ 1,853,805	\$ 253,180	\$ 1,600,625	\$ 3,109,615	\$ 1,675,114	\$ 1,434,501	\$ 186,764
1845	Underground Conductors & Devices	\$ 1,058,668	\$ 220,916	\$ 837,751	\$ 2,649,793	\$ 842,342	\$ 1,807,452	\$ 532,288
1850	Line Transformers	\$ 2,978,874	\$ 346,651	\$ 2,632,223	\$ 5,367,344	\$ 2,593,800	\$ 2,773,544	\$ 408,560
1855	Services Overhead	\$ 134,454	\$ 27,746	\$ 106,708	\$ 275,909	\$ 108,258	\$ 167,651	\$ 4,341
1855	Services Underground	\$ 505,122	\$ 259,545	\$ 245,577	\$ 1,796,456	\$ 267,120	\$ 1,529,336	\$ 67,807
1860	Meters 15yrs	\$ 1,519,758	\$ 1,254,177	\$ 265,581	\$ 1,999,930	\$ 267,753	\$ 1,732,176	\$ 78,765
1860	Meters >50	\$ 162,827	\$ 1,843	\$ 160,984	\$ 401,235	\$ 171,597	\$ 229,638	\$ 13,348
1860	Meters CT's & PT's	\$ 69,489	\$ 6,710	\$ 62,780	\$ 186,934	\$ 63,407	\$ 123,527	\$ 40,300
1905	Land	\$ 111,556		\$ 111,556	\$ 111,556		\$ 111,556	\$ -
1908	Buildings and Fixtures (50)	\$ 311,426	\$ 311,426	\$ -	\$ 311,426		\$ 311,426	\$ -
1908	Buildings and Fixtures (40)	\$ 29,372	\$ 14,869	\$ 14,502	\$ 55,127	\$ 29,372	\$ 25,755	\$ -
1908	Buildings and Fixtures (25)	\$ 174,026	\$ 16,358	\$ 157,668	\$ 394,949	\$ 174,026	\$ 220,924	\$ 10,399
1915	Office Furniture & Equipment (10 years)	\$ 25,914	\$ 11,318	\$ 14,596	\$ 143,198	\$ 27,001	\$ 116,197	\$ 854
1920	Computer Equipment - Hardware	\$ 64,440	\$ 62,871	\$ 1,569	\$ 144,660	\$ 89,754	\$ 54,907	\$ 49,827
1930	Transportation Equipment (8)	\$ 17,876	\$ 17,876	\$ -	\$ 71,009	\$ 14,417	\$ 56,592	\$ 41,280
1930	Transportation Equipment (15)	\$ 22,698	\$ 22,698	\$ -	\$ 1,078,277		\$ 1,078,277	\$ 157,145
1935	Stores Equipment			\$ -	\$ 11,963		\$ 11,963	\$ -
1940	Tools, Shop & Garage Equipment	\$ 66,736	\$ 30,967	\$ 35,769	\$ 202,528	\$ 62,118	\$ 140,410	\$ 49,580
1945	Measurement & Testing Equipment	\$ 15,273	\$ 15,273	\$ -	\$ 44,954	\$ 24,515	\$ 20,439	\$ 418
1955	Communications Equipment			\$ -	\$ 73,849		\$ 73,849	\$ 3,200
1960	Miscellaneous Equipment			\$ -	\$ -		\$ -	\$ 3,501
1970	Load Management Controls Customer Premises			\$ -	\$ 16,439		\$ 16,439	\$ -
1980	System Supervisor Equipment			\$ -	\$ 258,980		\$ 258,980	\$ 65,044
1995	Contributions & Grants -Transformer Station			\$ -	\$ (1,218,270)		\$ (1,218,270)	
1995	Contributions & Grants - Poles	\$ (13,087)	\$ 145	\$ (13,232)	\$ (223,863)	\$ (13,232)	\$ (210,631)	\$ (10,175)
1995	Contributions & Grants - OH Conductors	\$ (46,607)	\$ 388	\$ (46,996)	\$ (213,656)	\$ (46,996)	\$ (166,661)	\$ (4,197)
1995	Contributions & Grants - UG Conduit	\$ (149,904)	\$ 1,499	\$ (151,403)	\$ (566,482)	\$ (151,403)	\$ (415,079)	\$ (5,758)
1995	Contributions & Grants - UG Conductors	\$ (105,186)	\$ 1,753	\$ (106,939)	\$ (573,473)	\$ (106,939)	\$ (466,534)	\$ (28,577)
1995	Contributions & Grants - Line Transformers	\$ (173,796)	\$ 2,172	\$ (175,968)	\$ (1,008,452)	\$ (175,968)	\$ (832,483)	\$ (59,449)
1995	Contributions & Grants - Services OH	\$ (415)	\$ 3	\$ (418)	\$ (11,354)	\$ (418)	\$ (10,936)	\$ (841)
1995	Contributions & Grants - Services UG	\$ (201,560)	\$ 2,879	\$ (204,439)	\$ (1,087,441)	\$ (204,439)	\$ (883,002)	\$ (51,580)
1995	Contributions & Grants - Meters 15 years	\$ (11,159)	\$ 223	\$ (11,382)	\$ (186,835)	\$ (11,382)	\$ (175,453)	\$ (10,876)
1995	Contributions & Grants - Meters 25 years	\$ (5,489)	\$ 110	\$ (5,599)	\$ (46,114)	\$ (5,599)	\$ (40,515)	\$ (6,532)
1995	Contributions & Grants - Meters 35 years	\$ (2,127)	\$ 30	\$ (2,158)	\$ (29,737)	\$ (2,158)	\$ (27,579)	\$ (36,263)
1995	Contributions & Grants - Load Mgmt Control			\$ -	\$ (13,599)		\$ (13,599)	
	Total	\$ 21,429,228	\$ 9,175,331	\$ 12,253,897	\$ 31,790,298	\$ 13,818,083	\$ 17,972,215	\$ 2,196,683

Table 4-46
Depreciation and Amortization Expense
2019 Actual (cont'd)

Account	Description	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions
		h	i = 1/h	j	k = 1/j
1611	Computer Software (Formally known as Account 1925)	3.00	33.33%	5.00	20.00%
1805	Land	-	0.00%	-	0.00%
1808	Buildings and Fixtures (50)	-	0.00%	50.00	2.00%
1808	Buildings and Fixtures (25)	-	0.00%	25.00	4.00%
1815	Transformer Station Equipment >50 kV (10)	10.00	10.00%	10.00	10.00%
1815	Transformer Station Equipment >50 kV (20)	8.00	12.50%	20.00	5.00%
1815	Transformer Station Equipment >50 kV (40)	28.00	3.57%	40.00	2.50%
1815	Transformer Station Equipment >50 kV (45)	33.00	3.03%	45.00	2.22%
1815	Transformer Station Equipment >50 kV (50)	38.00	2.63%	50.00	2.00%
1815	Transformer Station Equipment >50 kV (55)	43.00	2.33%	55.00	1.82%
1830	Poles, Towers & Fixtures	34.00	2.94%	45.00	2.22%
1835	Overhead Conductors & Devices	54.50	1.83%	60.00	1.67%
1840	Underground Conduit	34.73	2.88%	50.00	2.00%
1845	Underground Conductors & Devices	25.30	3.95%	30.00	3.33%
1850	Line Transformers	29.23	3.42%	40.00	2.50%
1855	Services Overhead	54.73	1.83%	60.00	1.67%
1855	Services Underground	31.00	3.23%	35.00	2.86%
1860	Meters 15yrs	13.80	7.25%	15.00	6.67%
1860	Meters >50	19.06	5.25%	25.00	4.00%
1860	Meters CT's & PT's	30.60	3.27%	35.00	2.86%
1905	Land	-	0.00%	-	0.00%
1908	Buildings and Fixtures (50)	24.00	4.17%	50.00	2.00%
1908	Buildings and Fixtures (40)	19.75	5.06%	40.00	2.50%
1908	Buildings and Fixtures (25)	23.33	4.29%	25.00	4.00%
1915	Office Furniture & Equipment (10 years)	5.67	17.64%	10.00	10.00%
1920	Computer Equipment - Hardware	3.00	33.33%	5.00	20.00%
1930	Transportation Equipment (8)	4.50	22.22%	8.00	12.50%
1930	Transportation Equipment (15)	2.25	44.44%	15.00	6.67%
1935	Stores Equipment	-	0.00%	10.00	10.00%
1940	Tools, Shop & Garage Equipment	6.71	14.90%	10.00	10.00%
1945	Measurement & Testing Equipment	1.50	66.67%	5.00	20.00%
1955	Communications Equipment	-	0.00%	8.50	11.76%
1960	Miscellaneous Equipment	-	0.00%	10.00	10.00%
1970	Load Management Controls Customer Premises	-	0.00%	10.00	10.00%
1980	System Supervisor Equipment	-	0.00%	20.00	5.00%
1995	Contributions & Grants -Transformer Station	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Poles	45.00	2.22%	45.00	2.22%
1995	Contributions & Grants - OH Conductors	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - UG Conduit	50.00	2.00%	50.00	2.00%
1995	Contributions & Grants - UG Conductors	30.00	3.33%	30.00	3.33%
1995	Contributions & Grants - Line Transformers	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Services OH	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - Services UG	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Meters 15 years	15.00	6.67%	15.00	6.67%
1995	Contributions & Grants - Meters 25 years	25.00	4.00%	25.00	4.00%
1995	Contributions & Grants - Meters 35 years	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Load Mgmt Control	10.00	10.00%	10.00	10.00%
	Total				

Table 4-46
Depreciation and Amortization Expense
2019 Actual (cont'd)

Account	Description	Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions	Total Current Year Depreciation Expense		
		$l = c/h$	$m = f/j$	$n = g*0.5/j$	$o = l+m+n$	p	$q = p-o$
1611	Computer Software (Formally known as Account 1925)	0	33,364	0	33,364	\$ 33,364	\$ (0)
1805	Land	0	0	0	0	\$ -	\$ -
1808	Buildings and Fixtures (50)	0	25,124	0	25,124	\$ 25,124	\$ -
1808	Buildings and Fixtures (25)	0	589	6	595	\$ 589	\$ (6)
1815	Transformer Station Equipment >50 kV (10)	0	10,319	0	10,319	\$ 10,319	\$ -
1815	Transformer Station Equipment >50 kV (20)	25,975	39,934	2,667	68,576	\$ 68,576	\$ (0)
1815	Transformer Station Equipment >50 kV (40)	23,113	62,439	338	85,890	\$ 85,890	\$ 0
1815	Transformer Station Equipment >50 kV (45)	24,543	32,215	0	56,758	\$ 56,758	\$ (0)
1815	Transformer Station Equipment >50 kV (50)	613	809	0	1,421	\$ 1,421	\$ 0
1815	Transformer Station Equipment >50 kV (55)	9,327	1,143	0	10,470	\$ 10,470	\$ 0
1830	Poles, Towers & Fixtures	89,727	36,330	3,295	129,353	\$ 129,353	\$ 0
1835	Overhead Conductors & Devices	29,075	32,708	2,224	64,008	\$ 64,057	\$ 49
1840	Underground Conduit	46,088	28,690	1,868	76,645	\$ 76,645	\$ (0)
1845	Underground Conductors & Devices	33,113	60,248	8,871	102,233	\$ 102,233	\$ (0)
1850	Line Transformers	90,052	69,339	5,107	164,498	\$ 163,829	\$ (669)
1855	Services Overhead	1,950	2,794	36	4,780	\$ 4,797	\$ 17
1855	Services Underground	7,922	43,695	969	52,586	\$ 52,601	\$ 15
1860	Meters 15yrs	19,245	115,478	2,625	137,349	\$ 137,349	\$ 0
1860	Meters >50	8,446	9,186	267	17,899	\$ 17,899	\$ 0
1860	Meters CT's & PT's	2,052	3,529	576	6,157	\$ 6,157	\$ (0)
1905	Land	0	0	0	0	\$ -	\$ -
1908	Buildings and Fixtures (50)	0	6,229	0	6,229	\$ 6,229	\$ 0
1908	Buildings and Fixtures (40)	734	644	0	1,378	\$ 1,378	\$ (0)
1908	Buildings and Fixtures (25)	6,758	8,837	208	15,803	\$ 15,980	\$ 177
1915	Office Furniture & Equipment (10 years)	2,574	11,620	43	14,237	\$ 15,539	\$ 1,303
1920	Computer Equipment - Hardware	523	10,981	4,983	16,487	\$ 14,078	\$ (2,409)
1930	Transportation Equipment (8)	0	7,074	2,580	9,654	\$ 9,222	\$ (432)
1930	Transportation Equipment (15)	0	71,885	5,238	77,123	\$ 77,123	\$ 0
1935	Stores Equipment	0	1,196	0	1,196	\$ 1,196	\$ 0
1940	Tools, Shop & Garage Equipment	5,331	14,041	2,479	21,851	\$ 21,851	\$ 0
1945	Measurement & Testing Equipment	0	4,088	42	4,130	\$ 4,130	\$ (0)
1955	Communications Equipment	0	8,688	188	8,876	\$ 9,212	\$ 336
1960	Miscellaneous Equipment	0	0	175	175	\$ 175	\$ 0
1970	Load Management Controls Customer Premises	0	1,644	0	1,644	\$ 1,644	\$ 0
1980	System Supervisor Equipment	0	12,949	1,626	14,575	\$ 14,575	\$ 0
1995	Contributions & Grants -Transformer Station	0	(30,457)	0	(30,457)	\$ (30,457)	\$ (0)
1995	Contributions & Grants - Poles	(294)	(4,681)	(113)	(5,088)	\$ (5,088)	\$ (0)
1995	Contributions & Grants - OH Conductors	(783)	(2,778)	(35)	(3,596)	\$ (3,596)	\$ 0
1995	Contributions & Grants - UG Conduit	(3,028)	(8,302)	(58)	(11,387)	\$ (11,387)	\$ -
1995	Contributions & Grants - UG Conductors	(3,565)	(15,551)	(476)	(19,592)	\$ (19,592)	\$ (0)
1995	Contributions & Grants - Line Transformers	(4,399)	(20,812)	(743)	(25,954)	\$ (25,954)	\$ (0)
1995	Contributions & Grants - Services OH	(7)	(182)	(7)	(196)	\$ (196)	\$ (0)
1995	Contributions & Grants - Services UG	(5,841)	(25,229)	(737)	(31,807)	\$ (31,807)	\$ 0
1995	Contributions & Grants - Meters 15 years	(759)	(11,697)	(363)	(12,818)	\$ (12,818)	\$ (0)
1995	Contributions & Grants - Meters 25 years	(224)	(1,621)	(131)	(1,975)	\$ (1,975)	\$ (0)
1995	Contributions & Grants - Meters 35 years	(62)	(788)	(518)	(1,368)	\$ (1,368)	\$ -
1995	Contributions & Grants - Load Mgmt Control	0	(1,360)	0	(1,360)	\$ (1,360)	\$ (0)
	Total	408,199	644,351	43,231	1,095,781	\$ 1,094,161	\$ (1,620)



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Table 4-47
Depreciation and Amortization Expense
2020 Actual

Account	Description	Book Values						
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1)	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions
		a	b	c = a-b	d	e	f = d-e	g
1611	Computer Software (Formally known as Account 1925)	\$ 289,366	\$ 289,366	\$ -	\$ 834,907	\$ 732,509	\$ 102,399	\$ 48,021
1805	Land			\$ -	\$ 149,992		\$ 149,992	\$ -
1808	Buildings and Fixtures (50)			\$ -	\$ 1,256,185		\$ 1,256,185	\$ -
1808	Buildings and Fixtures (25)			\$ -	\$ 15,004		\$ 15,004	\$ 276
1815	Transformer Station Equipment >50 kV (10)	\$ -		\$ -	\$ 103,188		\$ 103,188	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$ 732,310	\$ 524,507	\$ 207,803	\$ 905,355		\$ 905,355	\$ 16,164
1815	Transformer Station Equipment >50 kV (40)	\$ 3,355,781	\$ 2,708,611	\$ 647,171	\$ 3,457,574	\$ 932,983	\$ 2,524,591	\$ -
1815	Transformer Station Equipment >50 kV (45)	\$ 2,682,922	\$ 1,873,011	\$ 809,911	\$ 2,682,922	\$ 1,233,242	\$ 1,449,680	\$ -
1815	Transformer Station Equipment >50 kV (50)	\$ 77,279	\$ 54,001	\$ 23,277	\$ 77,279	\$ 36,853	\$ 40,426	\$ -
1815	Transformer Station Equipment >50 kV (55)	\$ 643,777	\$ 242,716	\$ 401,061	\$ 643,777	\$ 580,935	\$ 62,842	\$ -
1830	Poles, Towers & Fixtures	\$ 3,337,033	\$ 286,299	\$ 3,050,734	\$ 4,981,594	\$ 3,050,170	\$ 1,931,424	\$ 390,193
1835	Overhead Conductors & Devices	\$ 1,897,776	\$ 313,192	\$ 1,584,584	\$ 3,830,398	\$ 1,600,974	\$ 2,229,424	\$ 408,321
1840	Underground Conduit	\$ 1,853,805	\$ 253,180	\$ 1,600,625	\$ 3,296,379	\$ 1,675,114	\$ 1,621,266	\$ 189,641
1845	Underground Conductors & Devices	\$ 1,058,668	\$ 220,916	\$ 837,751	\$ 3,182,082	\$ 842,342	\$ 2,339,740	\$ 250,305
1850	Line Transformers	\$ 2,978,874	\$ 346,651	\$ 2,632,223	\$ 5,749,160	\$ 2,593,800	\$ 3,155,360	\$ 226,708
1855	Services Overhead	\$ 134,454	\$ 27,746	\$ 106,708	\$ 280,251	\$ 108,258	\$ 171,992	\$ 10,868
1855	Services Underground	\$ 505,122	\$ 259,545	\$ 245,577	\$ 1,864,263	\$ 267,120	\$ 1,597,143	\$ 134,218
1860	Meters 15yrs	\$ 1,519,758	\$ 1,267,763	\$ 251,995	\$ 2,078,694	\$ 267,753	\$ 1,810,941	\$ 44,377
1860	Meters >50	\$ 162,827	\$ 1,843	\$ 160,984	\$ 414,582	\$ 171,597	\$ 242,986	\$ 10,825
1860	Meters CT's & PT's	\$ 69,489	\$ 6,710	\$ 62,780	\$ 227,234	\$ 63,407	\$ 163,827	\$ 5,361
1905	Land	\$ 111,556		\$ 111,556	\$ 111,556		\$ 111,556	\$ -
1908	Buildings and Fixtures (50)	\$ 311,426	\$ 311,426	\$ -	\$ 311,426		\$ 311,426	\$ -
1908	Buildings and Fixtures (40)	\$ 29,372	\$ 14,869	\$ 14,502	\$ 55,127	\$ 29,372	\$ 25,755	\$ 2,020
1908	Buildings and Fixtures (25)	\$ 174,026	\$ 16,358	\$ 157,668	\$ 405,348	\$ 174,026	\$ 231,323	\$ 15,595
1915	Office Furniture & Equipment (10 years)	\$ 25,914	\$ 11,318	\$ 14,596	\$ 144,052	\$ 27,001	\$ 117,051	\$ 126
1920	Computer Equipment - Hardware	\$ 64,440	\$ 62,871	\$ 1,569	\$ 175,295	\$ 96,595	\$ 78,700	\$ 35,056
1930	Transportation Equipment (8)	\$ 17,876	\$ 17,876	\$ -	\$ 107,853	\$ 14,417	\$ 93,436	\$ -
1930	Transportation Equipment (15)	\$ 22,698	\$ 22,698	\$ -	\$ 1,235,422		\$ 1,235,422	\$ -
1935	Stores Equipment			\$ -	\$ 11,963		\$ 11,963	\$ 123,960
1940	Tools, Shop & Garage Equipment	\$ 66,736	\$ 38,720	\$ 28,016	\$ 252,109	\$ 62,118	\$ 189,990	\$ 15,009
1945	Measurement & Testing Equipment	\$ 15,273	\$ 15,273	\$ -	\$ 45,372	\$ 34,606	\$ 10,766	\$ -
1955	Communications Equipment			\$ -	\$ 77,049		\$ 77,049	\$ 2,356
1960	Miscellaneous Equipment			\$ -	\$ 3,501		\$ 3,501	\$ 1,973
1970	Load Management Controls Customer Premises			\$ -	\$ 16,439		\$ 16,439	\$ -
1980	System Supervisor Equipment			\$ -	\$ 324,024		\$ 324,024	\$ 33,172
1995	Contributions & Grants -Transformer Station			\$ -	\$ (1,218,270)		\$ (1,218,270)	
1995	Contributions & Grants - Poles	\$ (13,087)	\$ 145	\$ (13,232)	\$ (234,038)	\$ (13,232)	\$ (220,806)	\$ (22,880)
1995	Contributions & Grants - OH Conductors	\$ (46,607)	\$ 388	\$ (46,996)	\$ (217,853)	\$ (46,996)	\$ (170,858)	\$ (17,469)
1995	Contributions & Grants - UG Conduit	\$ (149,904)	\$ 1,499	\$ (151,403)	\$ (572,240)	\$ (151,403)	\$ (420,837)	\$ (119,789)
1995	Contributions & Grants - UG Conductors	\$ (105,186)	\$ 1,753	\$ (106,939)	\$ (602,050)	\$ (106,939)	\$ (495,111)	\$ (60,830)
1995	Contributions & Grants - Line Transformers	\$ (173,796)	\$ 2,172	\$ (175,968)	\$ (1,067,901)	\$ (175,968)	\$ (891,932)	\$ (131,411)
1995	Contributions & Grants - Services OH	\$ (415)	\$ 3	\$ (418)	\$ (12,196)	\$ (418)	\$ (11,778)	\$ (1,251)
1995	Contributions & Grants - Services UG	\$ (201,560)	\$ 2,879	\$ (204,439)	\$ (1,139,021)	\$ (204,439)	\$ (934,582)	\$ (83,125)
1995	Contributions & Grants - Meters 15 years	\$ (11,159)	\$ 223	\$ (11,382)	\$ (197,711)	\$ (11,382)	\$ (186,329)	\$ (11,788)
1995	Contributions & Grants - Meters 25 years	\$ (5,489)	\$ 110	\$ (5,599)	\$ (52,645)	\$ (5,599)	\$ (47,046)	\$ (8,299)
1995	Contributions & Grants - Meters 35 years	\$ (2,127)	\$ 30	\$ (2,158)	\$ (66,000)	\$ (2,158)	\$ (63,842)	\$ (4,921)
1995	Contributions & Grants - Load Mgmt Control			\$ -	\$ (13,599)		\$ (13,599)	
	Total	\$ 21,429,228	\$ 9,196,670	\$ 12,232,557	\$ 33,913,829	\$ 13,876,656	\$ 20,037,173	\$ 1,502,780

Table 4-47
Depreciation and Amortization Expense
2020 Actual (cont'd)

Description	Service Lives			
	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions
	h	i = 1/h	j	k = 1/j
Computer Software (Formally known as Account 1925)	3.00	33.33%	5.00	20.00%
Land	-	0.00%	-	0.00%
Buildings and Fixtures (50)	-	0.00%	50.00	2.00%
Buildings and Fixtures (25)	-	0.00%	25.00	4.00%
Transformer Station Equipment >50 kV (10)	10.00	10.00%	10.00	10.00%
Transformer Station Equipment >50 kV (20)	8.00	12.50%	20.00	5.00%
Transformer Station Equipment >50 kV (40)	28.00	3.57%	40.00	2.50%
Transformer Station Equipment >50 kV (45)	33.00	3.03%	45.00	2.22%
Transformer Station Equipment >50 kV (50)	38.00	2.63%	50.00	2.00%
Transformer Station Equipment >50 kV (55)	43.00	2.33%	55.00	1.82%
Poles, Towers & Fixtures	34.00	2.94%	45.00	2.22%
Overhead Conductors & Devices	54.50	1.83%	60.00	1.67%
Underground Conduit	34.73	2.88%	50.00	2.00%
Underground Conductors & Devices	25.30	3.95%	30.00	3.33%
Line Transformers	29.23	3.42%	40.00	2.50%
Services Overhead	54.73	1.83%	60.00	1.67%
Services Underground	31.00	3.23%	35.00	2.86%
Meters 15yrs	13.80	7.25%	15.00	6.67%
Meters >50	19.06	5.25%	25.00	4.00%
Meters CT's & PT's	30.60	3.27%	35.00	2.86%
Land	-	0.00%	-	0.00%
Buildings and Fixtures (50)	24.00	4.17%	50.00	2.00%
Buildings and Fixtures (40)	19.75	5.06%	40.00	2.50%
Buildings and Fixtures (25)	23.33	4.29%	25.00	4.00%
Office Furniture & Equipment (10 years)	5.67	17.64%	10.00	10.00%
Computer Equipment - Hardware	3.00	33.33%	5.00	20.00%
Transportation Equipment (8)	4.50	22.22%	8.00	12.50%
Transportation Equipment (15)	2.25	44.44%	15.00	6.67%
Stores Equipment	10.00	10.00%	15.00	6.67%
Tools, Shop & Garage Equipment	6.71	14.90%	10.00	10.00%
Measurement & Testing Equipment	1.50	66.67%	5.00	20.00%
Communications Equipment	-	0.00%	8.50	11.76%
Miscellaneous Equipment	-	0.00%	-	0.00%
Load Management Controls Customer Premises	-	0.00%	10.00	10.00%
System Supervisor Equipment	-	0.00%	20.00	5.00%
Contributions & Grants -Transformer Station	40.00	2.50%	40.00	2.50%
Contributions & Grants - Poles	45.00	2.22%	45.00	2.22%
Contributions & Grants - OH Conductors	60.00	1.67%	60.00	1.67%
Contributions & Grants - UG Conduit	50.00	2.00%	50.00	2.00%
Contributions & Grants - UG Conductors	30.00	3.33%	30.00	3.33%
Contributions & Grants - Line Transformers	40.00	2.50%	40.00	2.50%
Contributions & Grants - Services OH	60.00	1.67%	60.00	1.67%
Contributions & Grants - Services UG	35.00	2.86%	35.00	2.86%
Contributions & Grants - Meters 15 years	15.00	6.67%	15.00	6.67%
Contributions & Grants - Meters 25 years	25.00	4.00%	25.00	4.00%
Contributions & Grants - Meters 35 years	35.00	2.86%	35.00	2.86%
Contributions & Grants - Load Mgmt Control	10.00	10.00%	10.00	10.00%
Total				

Table 4-47
Depreciation and Amortization Expense
2020 Actual (cont'd)

Account	Description	Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions	Total Current Year Depreciation Expense		
		$l = c/h$	$m = f/j$	$n = g*0.5/j$	$o = l+m+n$	p	$q = p-o$
1611	Computer Software (Formally known as Account 1925)	\$0	\$20,480	\$4,802	\$25,282	\$ 25,282	\$ (0)
1805	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1808	Buildings and Fixtures (50)	\$0	\$25,124	\$0	\$25,124	\$ 25,124	\$ -
1808	Buildings and Fixtures (25)	\$0	\$600	\$6	\$606	\$ 606	\$ (0)
1815	Transformer Station Equipment >50 kV (10)	\$0	\$10,319	\$0	\$10,319	\$ 10,319	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$25,975	\$45,268	\$404	\$71,647	\$ 71,647	\$ (0)
1815	Transformer Station Equipment >50 kV (40)	\$23,113	\$63,115	\$0	\$86,228	\$ 86,228	\$ 0
1815	Transformer Station Equipment >50 kV (45)	\$24,543	\$32,215	\$0	\$56,758	\$ 56,758	\$ 0
1815	Transformer Station Equipment >50 kV (50)	\$613	\$809	\$0	\$1,421	\$ 1,421	\$ 0
1815	Transformer Station Equipment >50 kV (55)	\$9,327	\$1,143	\$0	\$10,470	\$ 10,470	\$ 0
1830	Poles, Towers & Fixtures	\$89,727	\$42,921	\$4,335	\$136,983	\$ 136,983	\$ 0
1835	Overhead Conductors & Devices	\$29,075	\$37,157	\$3,403	\$69,635	\$ 69,635	\$ 49
1840	Underground Conduit	\$46,088	\$32,425	\$1,896	\$80,409	\$ 80,409	\$ 0
1845	Underground Conductors & Devices	\$33,113	\$77,991	\$4,172	\$115,276	\$ 115,276	\$ (0)
1850	Line Transformers	\$90,052	\$78,884	\$2,834	\$171,770	\$ 171,770	\$ 0
1855	Services Overhead	\$1,950	\$2,867	\$91	\$4,907	\$ 4,923	\$ 17
1855	Services Underground	\$7,922	\$45,633	\$1,917	\$55,472	\$ 55,487	\$ 15
1860	Meters 15yrs	\$18,261	\$120,729	\$1,479	\$140,469	\$ 140,469	\$ (0)
1860	Meters >50	\$8,446	\$9,719	\$217	\$18,382	\$ 18,382	\$ 0
1860	Meters CT's & PT's	\$2,052	\$4,681	\$77	\$6,809	\$ 6,809	\$ (0)
1905	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1908	Buildings and Fixtures (50)	\$0	\$6,229	\$0	\$6,229	\$ 6,229	\$ 0
1908	Buildings and Fixtures (40)	\$734	\$644	\$25	\$1,403	\$ 1,403	\$ 0
1908	Buildings and Fixtures (25)	\$6,758	\$9,253	\$312	\$16,323	\$ 16,500	\$ 177
1915	Office Furniture & Equipment (10 years)	\$2,574	\$11,705	\$6	\$14,286	\$ 14,286	\$ (0)
1920	Computer Equipment - Hardware	\$523	\$15,740	\$3,506	\$19,769	\$ 19,769	\$ 0
1930	Transportation Equipment (8)	\$0	\$11,680	\$0	\$11,680	\$ 11,680	\$ -
1930	Transportation Equipment (15)	\$0	\$82,361	\$0	\$82,361	\$ 82,361	\$ 0
1935	Stores Equipment	\$0	\$798	\$4,132	\$4,930	\$ 5,328	\$ 399
1940	Tools, Shop & Garage Equipment	\$4,175	\$18,999	\$750	\$23,925	\$ 23,925	\$ 0
1945	Measurement & Testing Equipment	\$0	\$2,153	\$0	\$2,153	\$ 2,153	\$ (0)
1955	Communications Equipment	\$0	\$9,065	\$139	\$9,203	\$ 9,146	\$ (58)
1960	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$ 471	\$ 471
1970	Load Management Controls Customer Premises	\$0	\$1,644	\$0	\$1,644	\$ 1,644	\$ 0
1980	System Supervisor Equipment	\$0	\$16,201	\$829	\$17,030	\$ 17,030	\$ 0
1995	Contributions & Grants -Transformer Station	\$0	(\$30,457)	\$0	(\$30,457)	\$ (30,457)	\$ (0)
1995	Contributions & Grants - Poles	(\$294)	(\$4,907)	(\$254)	(\$5,455)	\$ (5,455)	\$ (0)
1995	Contributions & Grants - OH Conductors	(\$783)	(\$2,848)	(\$146)	(\$3,776)	\$ (3,776)	\$ 0
1995	Contributions & Grants - UG Conduit	(\$3,028)	(\$8,417)	(\$1,198)	(\$12,643)	\$ (12,643)	\$ -
1995	Contributions & Grants - UG Conductors	(\$3,565)	(\$16,504)	(\$1,014)	(\$21,082)	\$ (21,082)	\$ (0)
1995	Contributions & Grants - Line Transformers	(\$4,399)	(\$22,298)	(\$1,643)	(\$28,340)	\$ (28,340)	\$ 0
1995	Contributions & Grants - Services OH	(\$7)	(\$196)	(\$10)	(\$214)	\$ (214)	\$ 0
1995	Contributions & Grants - Services UG	(\$5,841)	(\$26,702)	(\$1,188)	(\$33,731)	\$ (33,731)	\$ 0
1995	Contributions & Grants - Meters 15 years	(\$759)	(\$12,422)	(\$393)	(\$13,574)	\$ (13,574)	\$ (0)
1995	Contributions & Grants - Meters 25 years	(\$224)	(\$1,882)	(\$166)	(\$2,272)	\$ (2,272)	\$ -
1995	Contributions & Grants - Meters 35 years	(\$62)	(\$1,824)	(\$70)	(\$1,956)	\$ (1,956)	\$ -
1995	Contributions & Grants - Load Mgmt Control	\$0	(\$1,360)	\$0	(\$1,360)	\$ (1,360)	\$ (0)
	Total	\$406,059	\$708,733	\$29,250	\$1,144,042	\$ 1,145,111	\$ 1,069

Table 4-48
Depreciation and Amortization Expense
2021 Bridge Year

Account	Description	Book Values						
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1)	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions
		a	b	c = a-b	d	e	f = d - e	g
1611	Computer Software (Formally known as Account 1925)	\$ 289,366	\$ 289,366	\$ -	\$ 882,928	\$ 767,261	\$ 115,667	\$ 20,000
1805	Land			\$ -	\$ 149,992		\$ 149,992	\$ -
1808	Buildings and Fixtures (50)			\$ -	\$ 1,256,185		\$ 1,256,185	\$ -
1808	Buildings and Fixtures (25)			\$ -	\$ 15,279		\$ 15,279	\$ -
1815	Transformer Station Equipment >50 kV (10)	\$ -		\$ -	\$ 103,188		\$ 103,188	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$ 732,310	\$ 524,507	\$ 207,803	\$ 921,519		\$ 921,519	\$ -
1815	Transformer Station Equipment >50 kV (40)	\$ 3,355,781	\$ 2,708,611	\$ 647,171	\$ 3,457,574	\$ 932,983	\$ 2,524,591	\$ 50,000
1815	Transformer Station Equipment >50 kV (45)	\$ 2,682,922	\$ 1,873,011	\$ 809,911	\$ 2,682,922	\$ 1,233,242	\$ 1,449,680	\$ -
1815	Transformer Station Equipment >50 kV (50)	\$ 77,279	\$ 54,001	\$ 23,277	\$ 77,279	\$ 36,853	\$ 40,426	\$ -
1815	Transformer Station Equipment >50 kV (55)	\$ 643,777	\$ 242,716	\$ 401,061	\$ 643,777	\$ 580,935	\$ 62,842	\$ -
1830	Poles, Towers & Fixtures	\$ 3,337,033	\$ 286,299	\$ 3,050,734	\$ 5,371,787	\$ 3,050,170	\$ 2,321,617	\$ 1,115,840
1835	Overhead Conductors & Devices	\$ 1,897,776	\$ 313,192	\$ 1,584,584	\$ 4,238,719	\$ 1,600,974	\$ 2,637,745	\$ 361,613
1840	Underground Conduit	\$ 1,853,805	\$ 253,180	\$ 1,600,625	\$ 3,486,021	\$ 1,675,114	\$ 1,810,907	\$ 73,143
1845	Underground Conductors & Devices	\$ 1,058,668	\$ 220,916	\$ 837,751	\$ 3,432,387	\$ 842,342	\$ 2,590,045	\$ 261,644
1850	Line Transformers	\$ 2,978,874	\$ 346,651	\$ 2,632,223	\$ 5,975,868	\$ 2,593,800	\$ 3,382,068	\$ 263,765
1855	Services Overhead	\$ 134,454	\$ 27,746	\$ 106,708	\$ 291,118	\$ 108,258	\$ 182,860	\$ 57,487
1855	Services Underground	\$ 505,122	\$ 259,545	\$ 245,577	\$ 1,998,481	\$ 267,120	\$ 1,731,361	\$ 63,171
1860	Meters 15yrs	\$ 1,519,758	\$ 1,267,763	\$ 251,995	\$ 2,123,071	\$ 267,753	\$ 1,855,318	\$ 82,183
1860	Meters >50	\$ 162,827	\$ 1,843	\$ 160,984	\$ 425,408	\$ 171,597	\$ 253,811	\$ 17,167
1860	Meters CT's & PT's	\$ 69,489	\$ 6,710	\$ 62,780	\$ 232,595	\$ 63,407	\$ 169,188	\$ 20,675
1905	Land	\$ 111,556		\$ 111,556	\$ 111,556		\$ 111,556	\$ -
1908	Buildings and Fixtures (50)	\$ 311,426	\$ 311,426	\$ -	\$ 311,426		\$ 311,426	\$ -
1908	Buildings and Fixtures (40)	\$ 29,372	\$ 14,869	\$ 14,502	\$ 57,147	\$ 29,372	\$ 27,775	\$ -
1908	Buildings and Fixtures (25)	\$ 174,026	\$ 16,358	\$ 157,668	\$ 420,943	\$ 174,026	\$ 246,918	\$ 20,000
1915	Office Furniture & Equipment (10 years)	\$ 25,914	\$ 13,589	\$ 12,325	\$ 144,178	\$ 27,001	\$ 117,177	\$ 5,000
1920	Computer Equipment - Hardware	\$ 64,440	\$ 62,871	\$ 1,569	\$ 202,248	\$ 102,508	\$ 99,741	\$ 14,000
1930	Transportation Equipment (8)	\$ 17,876	\$ 17,876	\$ -	\$ 107,853	\$ 15,393	\$ 92,460	\$ -
1930	Transportation Equipment (15)	\$ 22,698	\$ 22,698	\$ -	\$ 1,235,422	\$ 2,883	\$ 1,232,539	\$ 87,000
1935	Stores Equipment			\$ -	\$ 135,923		\$ 135,923	\$ -
1940	Tools, Shop & Garage Equipment	\$ 66,736	\$ 62,226	\$ 4,510	\$ 267,118	\$ 62,118	\$ 205,000	\$ 39,000
1945	Measurement & Testing Equipment	\$ 15,273	\$ 15,273	\$ -	\$ 45,372	\$ 36,782	\$ 8,591	\$ -
1955	Communications Equipment			\$ -	\$ 79,405	\$ 13,919	\$ 65,486	\$ 10,000
1960	Miscellaneous Equipment			\$ -	\$ 5,474		\$ 5,474	\$ -
1970	Load Management Controls Customer Premises			\$ -	\$ 16,439		\$ 16,439	\$ -
1980	System Supervisor Equipment			\$ -	\$ 357,196	\$ 16,586	\$ 340,610	\$ 21,040
1995	Contributions & Grants -Transformer Station			\$ -	\$ (1,218,270)		\$ (1,218,270)	
1995	Contributions & Grants - Poles	\$ (13,087)	\$ 145	\$ (13,232)	\$ (256,918)	\$ (13,232)	\$ (243,686)	\$ (24,464)
1995	Contributions & Grants - OH Conductors	\$ (46,607)	\$ 388	\$ (46,996)	\$ (235,322)	\$ (46,996)	\$ (188,327)	\$ (29,811)
1995	Contributions & Grants - UG Conduit	\$ (149,904)	\$ 1,499	\$ (151,403)	\$ (692,029)	\$ (151,403)	\$ (540,627)	\$ (31,580)
1995	Contributions & Grants - UG Conductors	\$ (105,186)	\$ 1,753	\$ (106,939)	\$ (662,880)	\$ (106,939)	\$ (555,941)	\$ (54,232)
1995	Contributions & Grants - Line Transformers	\$ (173,796)	\$ 2,172	\$ (175,968)	\$ (1,199,312)	\$ (175,968)	\$ (1,023,344)	\$ (98,867)
1995	Contributions & Grants - Services OH	\$ (415)	\$ 3	\$ (418)	\$ (13,447)	\$ (418)	\$ (13,029)	\$ (839)
1995	Contributions & Grants - Services UG	\$ (201,560)	\$ 2,879	\$ (204,439)	\$ (1,222,147)	\$ (204,439)	\$ (1,017,707)	\$ (51,851)
1995	Contributions & Grants - Meters 15 years	\$ (11,159)	\$ 223	\$ (11,382)	\$ (209,499)	\$ (11,382)	\$ (198,117)	\$ (30,986)
1995	Contributions & Grants - Meters 25 years	\$ (5,489)	\$ 110	\$ (5,599)	\$ (60,944)	\$ (5,599)	\$ (55,345)	\$ (7,183)
1995	Contributions & Grants - Meters 35 years	\$ (2,127)	\$ 30	\$ (2,158)	\$ (70,921)	\$ (2,158)	\$ (68,763)	\$ (14,801)
1995	Contributions & Grants - Load Mgmt Control			\$ -	\$ (13,599)		\$ (13,599)	
	Total	\$ 21,429,228	\$ 9,222,447	\$ 12,206,781	\$ 35,408,506	\$ 13,953,862	\$ 21,454,645	\$ 2,238,116

Table 4-48
Depreciation and Amortization Expense
2021 Bridge Year (cont'd)

Account	Description	Service Lives			
		Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions
		h	i = 1/h	j	k = 1/j
1611	Computer Software (Formally known as Account 1925)	3.00	33.33%	5.00	20.00%
1805	Land	-	0.00%	-	0.00%
1808	Buildings and Fixtures (50)	-	0.00%	50.00	2.00%
1808	Buildings and Fixtures (25)	-	0.00%	25.00	4.00%
1815	Transformer Station Equipment >50 kV (10)	10.00	10.00%	10.00	10.00%
1815	Transformer Station Equipment >50 kV (20)	8.00	12.50%	20.00	5.00%
1815	Transformer Station Equipment >50 kV (40)	28.00	3.57%	40.00	2.50%
1815	Transformer Station Equipment >50 kV (45)	33.00	3.03%	45.00	2.22%
1815	Transformer Station Equipment >50 kV (50)	38.00	2.63%	50.00	2.00%
1815	Transformer Station Equipment >50 kV (55)	43.00	2.33%	55.00	1.82%
1830	Poles, Towers & Fixtures	34.00	2.94%	45.00	2.22%
1835	Overhead Conductors & Devices	54.50	1.83%	60.00	1.67%
1840	Underground Conduit	34.73	2.88%	50.00	2.00%
1845	Underground Conductors & Devices	25.30	3.95%	30.00	3.33%
1850	Line Transformers	29.23	3.42%	40.00	2.50%
1855	Services Overhead	54.73	1.83%	60.00	1.67%
1855	Services Underground	31.00	3.23%	35.00	2.86%
1860	Meters 15yrs	13.80	7.25%	15.00	6.67%
1860	Meters >50	19.06	5.25%	25.00	4.00%
1860	Meters CT's & PT's	30.60	3.27%	35.00	2.86%
1905	Land	-	0.00%	-	0.00%
1908	Buildings and Fixtures (50)	24.00	4.17%	50.00	2.00%
1908	Buildings and Fixtures (40)	19.75	5.06%	40.00	2.50%
1908	Buildings and Fixtures (25)	23.33	4.29%	25.00	4.00%
1915	Office Furniture & Equipment (10 years)	5.67	17.64%	10.00	10.00%
1920	Computer Equipment - Hardware	3.00	33.33%	5.00	20.00%
1930	Transportation Equipment (8)	4.50	22.22%	8.00	12.50%
1930	Transportation Equipment (15)	2.25	44.44%	15.00	6.67%
1935	Stores Equipment	10.00	10.00%	15.00	6.67%
1940	Tools, Shop & Garage Equipment	6.71	14.90%	10.00	10.00%
1945	Measurement & Testing Equipment	1.50	66.67%	5.00	20.00%
1955	Communications Equipment	-	0.00%	8.50	11.76%
1960	Miscellaneous Equipment	-	0.00%	-	0.00%
1970	Load Management Controls Customer Premises	-	0.00%	10.00	10.00%
1980	System Supervisor Equipment	-	0.00%	20.00	5.00%
1995	Contributions & Grants -Transformer Station	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Poles	45.00	2.22%	45.00	2.22%
1995	Contributions & Grants - OH Conductors	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - UG Conduit	50.00	2.00%	50.00	2.00%
1995	Contributions & Grants - UG Conductors	30.00	3.33%	30.00	3.33%
1995	Contributions & Grants - Line Transformers	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Services OH	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - Services UG	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Meters 15 years	15.00	6.67%	15.00	6.67%
1995	Contributions & Grants - Meters 25 years	25.00	4.00%	25.00	4.00%
1995	Contributions & Grants - Meters 35 years	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Load Mgmt Control	10.00	10.00%	10.00	10.00%
	Total				

Table 4-48
Depreciation and Amortization Expense
2021 Bridge Year (cont'd)

Account	Description	Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions	Total Current Year Depreciation Expense		
		$l = c/h$	$m = f/j$	$n = g*0.5/j$	$o = l+m+n$	p	$q = p-o$
1611	Computer Software (Formally known as Account 1925)	\$0	\$23,133	\$2,000	\$25,133	\$ 25,133	\$ (0)
1805	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1808	Buildings and Fixtures (50)	\$0	\$25,124	\$0	\$25,124	\$ 25,124	\$ -
1808	Buildings and Fixtures (25)	\$0	\$611	\$0	\$611	\$ 611	\$ (0)
1815	Transformer Station Equipment >50 kV (10)	\$0	\$10,319	\$0	\$10,319	\$ 10,319	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$25,975	\$46,076	\$0	\$72,051	\$ 72,051	\$ (0)
1815	Transformer Station Equipment >50 kV (40)	\$23,113	\$63,115	\$625	\$86,853	\$ 86,853	\$ (0)
1815	Transformer Station Equipment >50 kV (45)	\$24,543	\$32,215	\$0	\$56,758	\$ 56,758	\$ 0
1815	Transformer Station Equipment >50 kV (50)	\$613	\$809	\$0	\$1,421	\$ 1,421	\$ 0
1815	Transformer Station Equipment >50 kV (55)	\$9,327	\$1,143	\$0	\$10,470	\$ 10,470	\$ 0
1830	Poles, Towers & Fixtures	\$89,727	\$51,591	\$12,398	\$153,717	\$ 153,717	\$ (0)
1835	Overhead Conductors & Devices	\$29,075	\$43,962	\$3,013	\$76,051	\$ 76,100	\$ 49
1840	Underground Conduit	\$46,088	\$36,218	\$731	\$83,037	\$ 83,037	\$ 0
1845	Underground Conductors & Devices	\$33,113	\$86,335	\$4,361	\$123,808	\$ 123,808	\$ 0
1850	Line Transformers	\$90,052	\$84,552	\$3,297	\$177,901	\$ 177,901	\$ (0)
1855	Services Overhead	\$1,950	\$3,048	\$479	\$5,476	\$ 5,493	\$ 17
1855	Services Underground	\$7,922	\$49,467	\$902	\$58,292	\$ 58,307	\$ 15
1860	Meters 15yrs	\$18,261	\$123,688	\$2,739	\$144,688	\$ 144,699	\$ 11
1860	Meters >50	\$8,446	\$10,152	\$343	\$18,942	\$ 18,942	\$ 0
1860	Meters CT's & PT's	\$2,052	\$4,834	\$295	\$7,181	\$ 7,181	\$ (0)
1905	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1908	Buildings and Fixtures (50)	\$0	\$6,229	\$0	\$6,229	\$ 6,229	\$ 0
1908	Buildings and Fixtures (40)	\$734	\$694	\$0	\$1,429	\$ 1,429	\$ 0
1908	Buildings and Fixtures (25)	\$6,758	\$9,877	\$400	\$17,035	\$ 17,212	\$ 177
1915	Office Furniture & Equipment (10 years)	\$2,174	\$11,718	\$250	\$14,141	\$ 14,141	\$ (0)
1920	Computer Equipment - Hardware	\$523	\$19,948	\$1,400	\$21,871	\$ 21,871	\$ 0
1930	Transportation Equipment (8)	\$0	\$11,557	\$0	\$11,557	\$ 11,557	\$ (0)
1930	Transportation Equipment (15)	\$0	\$82,169	\$2,900	\$85,069	\$ 85,069	\$ -
1935	Stores Equipment	\$0	\$9,062	\$0	\$9,062	\$ 9,460	\$ 399
1940	Tools, Shop & Garage Equipment	\$672	\$20,500	\$1,950	\$23,122	\$ 23,122	\$ 0
1945	Measurement & Testing Equipment	\$0	\$1,718	\$0	\$1,718	\$ 1,718	\$ (0)
1955	Communications Equipment	\$0	\$7,704	\$588	\$8,292	\$ 8,292	\$ (0)
1960	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$ 547	\$ 547
1970	Load Management Controls Customer Premises	\$0	\$1,644	\$0	\$1,644	\$ 1,644	\$ 0
1980	System Supervisor Equipment	\$0	\$17,030	\$526	\$17,557	\$ 17,557	\$ 0
1995	Contributions & Grants -Transformer Station	\$0	(\$30,457)	\$0	(\$30,457)	\$ (30,457)	\$ (0)
1995	Contributions & Grants - Poles	(\$294)	(\$5,415)	(\$272)	(\$5,981)	\$ (5,981)	\$ (0)
1995	Contributions & Grants - OH Conductors	(\$783)	(\$3,139)	(\$248)	(\$4,170)	\$ (4,170)	\$ 0
1995	Contributions & Grants - UG Conduit	(\$3,028)	(\$10,813)	(\$316)	(\$14,156)	\$ (14,156)	\$ -
1995	Contributions & Grants - UG Conductors	(\$3,565)	(\$18,531)	(\$904)	(\$23,000)	\$ (23,000)	\$ (0)
1995	Contributions & Grants - Line Transformers	(\$4,399)	(\$25,584)	(\$1,236)	(\$31,219)	\$ (31,219)	\$ (0)
1995	Contributions & Grants - Services OH	(\$7)	(\$217)	(\$7)	(\$231)	\$ (231)	\$ (0)
1995	Contributions & Grants - Services UG	(\$5,841)	(\$29,077)	(\$741)	(\$35,659)	\$ (35,659)	\$ 0
1995	Contributions & Grants - Meters 15 years	(\$759)	(\$13,208)	(\$1,033)	(\$14,999)	\$ (14,999)	\$ 0
1995	Contributions & Grants - Meters 25 years	(\$224)	(\$2,214)	(\$144)	(\$2,581)	\$ (2,581)	\$ -
1995	Contributions & Grants - Meters 35 years	(\$62)	(\$1,965)	(\$211)	(\$2,238)	\$ (2,238)	\$ 0
1995	Contributions & Grants - Load Mgmt Control	\$0	(\$1,360)	\$0	(\$1,360)	\$ (1,360)	\$ (0)
	Total	\$ 402,155	\$ 754,263	\$ 34,088	\$ 1,190,507	\$ 1,191,722	\$ 1,215



Table 4-49
Depreciation and Amortization Expense
2022 Test Year

Account	Description	Book Values						
		Opening Net Book Value of Existing Assets as at Date of Policy Change (Jan. 1)	Less Fully Depreciated	Net Amount of Existing Assets Before Policy Change to be Depreciated	Opening Gross Book Value of Assets Acquired After Policy Change	Less Fully Depreciated	Net Amount of Assets Acquired After Policy Change to be Depreciated	Current Year Additions
		a	b	c = a-b	d	e	f = d-e	g
1611	Computer Software (Formally known as Account 1925)	\$ 289,366	\$ 289,366	\$ -	\$ 902,928	\$ 798,027	\$ 104,902	\$ 5,000
1805	Land			\$ -	\$ 149,992		\$ 149,992	\$ -
1808	Buildings and Fixtures (50)			\$ -	\$ 1,256,185		\$ 1,256,185	\$ -
1808	Buildings and Fixtures (25)			\$ -	\$ 15,279		\$ 15,279	\$ -
1815	Transformer Station Equipment >50 kV (10)	\$ -		\$ -	\$ 103,188		\$ 103,188	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$ 732,310	\$ 524,507	\$ 207,803	\$ 921,519		\$ 921,519	\$ 100,000
1815	Transformer Station Equipment >50 kV (40)	\$ 3,355,781	\$ 2,708,611	\$ 647,171	\$ 3,507,574	\$ 932,983	\$ 2,574,591	\$ -
1815	Transformer Station Equipment >50 kV (45)	\$ 2,682,922	\$ 1,873,011	\$ 809,911	\$ 2,682,922	\$ 1,233,242	\$ 1,449,680	\$ -
1815	Transformer Station Equipment >50 kV (50)	\$ 77,279	\$ 54,001	\$ 23,277	\$ 77,279	\$ 36,853	\$ 40,426	\$ -
1815	Transformer Station Equipment >50 kV (55)	\$ 643,777	\$ 242,716	\$ 401,061	\$ 643,777	\$ 580,935	\$ 62,842	\$ -
1830	Poles, Towers & Fixtures	\$ 3,337,033	\$ 286,299	\$ 3,050,734	\$ 6,487,627	\$ 3,050,170	\$ 3,437,457	\$ 1,639,133
1835	Overhead Conductors & Devices	\$ 1,897,776	\$ 313,192	\$ 1,584,584	\$ 4,600,332	\$ 1,600,974	\$ 2,999,358	\$ 242,031
1840	Underground Conduit	\$ 1,853,805	\$ 253,180	\$ 1,600,625	\$ 3,559,164	\$ 1,675,114	\$ 1,884,050	\$ 164,352
1845	Underground Conductors & Devices	\$ 1,058,668	\$ 220,916	\$ 837,751	\$ 3,694,031	\$ 842,342	\$ 2,851,690	\$ 179,592
1850	Line Transformers	\$ 2,978,874	\$ 346,651	\$ 2,632,223	\$ 6,239,633	\$ 2,593,800	\$ 3,645,833	\$ 179,897
1855	Services Overhead	\$ 134,454	\$ 27,746	\$ 106,708	\$ 348,605	\$ 108,258	\$ 240,347	\$ 95,980
1855	Services Underground	\$ 505,122	\$ 259,545	\$ 245,577	\$ 2,061,652	\$ 267,120	\$ 1,794,532	\$ 107,233
1860	Meters 15yrs	\$ 1,519,758	\$ 1,267,763	\$ 251,995	\$ 2,205,254	\$ 267,753	\$ 1,937,501	\$ 82,841
1860	Meters >50	\$ 162,827	\$ 1,843	\$ 160,984	\$ 442,575	\$ 171,597	\$ 270,978	\$ 18,391
1860	Meters CT's & PT's	\$ 69,489	\$ 6,710	\$ 62,780	\$ 253,270	\$ 63,407	\$ 189,863	\$ 26,379
1905	Land	\$ 111,556		\$ 111,556	\$ 111,556		\$ 111,556	\$ -
1908	Buildings and Fixtures (50)	\$ 311,426	\$ 311,426	\$ -	\$ 311,426		\$ 311,426	\$ -
1908	Buildings and Fixtures (40)	\$ 29,372	\$ 14,869	\$ 14,502	\$ 57,147	\$ 29,372	\$ 27,775	\$ -
1908	Buildings and Fixtures (25)	\$ 174,026	\$ 16,358	\$ 157,668	\$ 440,943	\$ 174,026	\$ 266,918	\$ 80,000
1915	Office Furniture & Equipment (10 years)	\$ 25,914	\$ 25,914	\$ -	\$ 149,178	\$ 28,636	\$ 120,542	\$ -
1920	Computer Equipment - Hardware	\$ 64,440	\$ 62,871	\$ 1,569	\$ 216,248	\$ 111,866	\$ 104,383	\$ 15,000
1930	Transportation Equipment (8)	\$ 17,876	\$ 17,876	\$ -	\$ 107,853	\$ 16,212	\$ 91,641	\$ -
1930	Transportation Equipment (15)	\$ 22,698	\$ 22,698	\$ -	\$ 1,322,422	\$ 4,661	\$ 1,317,761	\$ -
1935	Stores Equipment			\$ -	\$ 135,923		\$ 135,923	\$ -
1940	Tools, Shop & Garage Equipment	\$ 66,736	\$ 62,226	\$ 4,510	\$ 306,118	\$ 86,831	\$ 219,286	\$ -
1945	Measurement & Testing Equipment	\$ 15,273	\$ 15,273	\$ -	\$ 45,372	\$ 40,244	\$ 5,129	\$ -
1955	Communications Equipment			\$ -	\$ 89,405	\$ 28,941	\$ 60,464	\$ -
1960	Miscellaneous Equipment			\$ -	\$ 5,474		\$ 5,474	\$ -
1970	Load Management Controls Customer Premises			\$ -	\$ 16,439		\$ 16,439	\$ -
1980	System Supervisor Equipment			\$ -	\$ 378,236	\$ 16,586	\$ 361,650	\$ 1,063
1995	Contributions & Grants - Transformer Station			\$ -	\$ (1,218,270)		\$ (1,218,270)	
1995	Contributions & Grants - Poles	\$ (13,087)	\$ 145	\$ (13,232)	\$ (281,382)	\$ (13,232)	\$ (268,150)	\$ (20,402)
1995	Contributions & Grants - OH Conductors	\$ (46,607)	\$ 388	\$ (46,996)	\$ (265,134)	\$ (46,996)	\$ (218,138)	\$ (24,187)
1995	Contributions & Grants - UG Conduit	\$ (149,904)	\$ 1,499	\$ (151,403)	\$ (723,609)	\$ (197,354)	\$ (526,255)	\$ (91,902)
1995	Contributions & Grants - UG Conductors	\$ (105,186)	\$ 1,753	\$ (106,939)	\$ (717,112)	\$ (106,939)	\$ (610,173)	\$ (64,713)
1995	Contributions & Grants - Line Transformers	\$ (173,796)	\$ 2,172	\$ (175,968)	\$ (1,298,179)	\$ (175,968)	\$ (1,122,210)	\$ (77,572)
1995	Contributions & Grants - Services OH	\$ (415)	\$ 3	\$ (418)	\$ (14,285)	\$ (418)	\$ (13,867)	\$ (680)
1995	Contributions & Grants - Services UG	\$ (201,560)	\$ 2,879	\$ (204,439)	\$ (1,273,998)	\$ (204,439)	\$ (1,069,558)	\$ (88,125)
1995	Contributions & Grants - Meters 15 years	\$ (11,159)	\$ 223	\$ (11,382)	\$ (240,485)	\$ (11,382)	\$ (229,103)	\$ (31,010)
1995	Contributions & Grants - Meters 25 years	\$ (5,489)	\$ 110	\$ (5,599)	\$ (68,128)	\$ (5,599)	\$ (62,529)	\$ (7,289)
1995	Contributions & Grants - Meters 35 years	\$ (2,127)	\$ 30	\$ (2,158)	\$ (85,722)	\$ (2,158)	\$ (83,564)	\$ (17,546)
1995	Contributions & Grants - Load Mgmt Control			\$ -	\$ (13,599)		\$ (13,599)	
	Total	\$ 21,429,228	\$ 9,234,772	\$ 12,194,455	\$ 37,646,622	\$ 13,995,462	\$ 23,651,160	\$ 2,513,465

Table 4-49
Depreciation and Amortization Expense
2022 Test Year (cont'd)

Account	Description	Average Remaining Life of Assets Existing Before Policy Change	Depreciation Rate Assets Acquired After Policy Change	Life of Assets Acquired After Policy Change	Depreciation Rate on New Additions
		h	i = 1/h	j	k = 1/j
1611	Computer Software (Formally known as Account 1925)	3.00	33.33%	5.00	20.00%
1805	Land	-	0.00%	-	0.00%
1808	Buildings and Fixtures (50)	-	0.00%	50.00	2.00%
1808	Buildings and Fixtures (25)	-	0.00%	25.00	4.00%
1815	Transformer Station Equipment >50 kV (10)	10.00	10.00%	10.00	10.00%
1815	Transformer Station Equipment >50 kV (20)	8.00	12.50%	20.00	5.00%
1815	Transformer Station Equipment >50 kV (40)	28.00	3.57%	40.00	2.50%
1815	Transformer Station Equipment >50 kV (45)	33.00	3.03%	45.00	2.22%
1815	Transformer Station Equipment >50 kV (50)	38.00	2.63%	50.00	2.00%
1815	Transformer Station Equipment >50 kV (55)	43.00	2.33%	55.00	1.82%
1830	Poles, Towers & Fixtures	34.00	2.94%	45.00	2.22%
1835	Overhead Conductors & Devices	54.50	1.83%	60.00	1.67%
1840	Underground Conduit	34.73	2.88%	50.00	2.00%
1845	Underground Conductors & Devices	25.30	3.95%	30.00	3.33%
1850	Line Transformers	29.23	3.42%	40.00	2.50%
1855	Services Overhead	54.73	1.83%	60.00	1.67%
1855	Services Underground	31.00	3.23%	35.00	2.86%
1860	Meters 15yrs	13.80	7.25%	15.00	6.67%
1860	Meters >50	19.06	5.25%	25.00	4.00%
1860	Meters CT's & PT's	30.60	3.27%	35.00	2.86%
1905	Land	-	0.00%	-	0.00%
1908	Buildings and Fixtures (50)	24.00	4.17%	50.00	2.00%
1908	Buildings and Fixtures (40)	19.75	5.06%	40.00	2.50%
1908	Buildings and Fixtures (25)	23.33	4.29%	25.00	4.00%
1915	Office Furniture & Equipment (10 years)	5.67	17.64%	10.00	10.00%
1920	Computer Equipment - Hardware	3.00	33.33%	5.00	20.00%
1930	Transportation Equipment (8)	4.50	22.22%	8.00	12.50%
1930	Transportation Equipment (15)	2.25	44.44%	15.00	6.67%
1935	Stores Equipment	10.00	10.00%	15.00	6.67%
1940	Tools, Shop & Garage Equipment	6.71	14.90%	10.00	10.00%
1945	Measurement & Testing Equipment	1.50	66.67%	5.00	20.00%
1955	Communications Equipment	-	0.00%	8.50	11.76%
1960	Miscellaneous Equipment	-	0.00%	-	0.00%
1970	Load Management Controls Customer Premises	-	0.00%	10.00	10.00%
1980	System Supervisor Equipment	-	0.00%	20.00	5.00%
1995	Contributions & Grants -Transformer Station	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Poles	45.00	2.22%	45.00	2.22%
1995	Contributions & Grants - OH Conductors	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - UG Conduit	50.00	2.00%	50.00	2.00%
1995	Contributions & Grants - UG Conductors	30.00	3.33%	30.00	3.33%
1995	Contributions & Grants - Line Transformers	40.00	2.50%	40.00	2.50%
1995	Contributions & Grants - Services OH	60.00	1.67%	60.00	1.67%
1995	Contributions & Grants - Services UG	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Meters 15 years	15.00	6.67%	15.00	6.67%
1995	Contributions & Grants - Meters 25 years	25.00	4.00%	25.00	4.00%
1995	Contributions & Grants - Meters 35 years	35.00	2.86%	35.00	2.86%
1995	Contributions & Grants - Load Mgmt Control	10.00	10.00%	10.00	10.00%
	Total				

Table 4-49
Depreciation and Amortization Expense
2022 Test Year (cont'd)

Account	Description	Depreciation Expense				Depreciation Expense per Appendix 2-BA Fixed Assets, Column J	Variance
		Depreciation Expense on Assets Existing Before Policy Change	Depreciation Expense on Assets Acquired After Policy Change	Depreciation Expense on Current Year Additions	Total Current Year Depreciation Expense		
		$l = c/h$	$m = f/j$	$n = g*0.5/j$	$o = l+m+n$	p	$q = p-o$
1611	Computer Software (Formally known as Account 1925)	\$0	\$20,980	\$500	\$21,480	\$ 21,176	\$ (304)
1805	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1808	Buildings and Fixtures (50)	\$0	\$25,124	\$0	\$25,124	\$ 25,124	\$ -
1808	Buildings and Fixtures (25)	\$0	\$611	\$0	\$611	\$ 611	\$ (0)
1815	Transformer Station Equipment >50 kV (10)	\$0	\$10,319	\$0	\$10,319	\$ 10,319	\$ -
1815	Transformer Station Equipment >50 kV (20)	\$25,975	\$46,076	\$2,500	\$74,551	\$ 74,551	\$ (0)
1815	Transformer Station Equipment >50 kV (40)	\$23,113	\$64,365	\$0	\$87,478	\$ 87,478	\$ (0)
1815	Transformer Station Equipment >50 kV (45)	\$24,543	\$32,215	\$0	\$56,758	\$ 56,758	\$ 0
1815	Transformer Station Equipment >50 kV (50)	\$613	\$809	\$0	\$1,421	\$ 1,421	\$ 0
1815	Transformer Station Equipment >50 kV (55)	\$9,327	\$1,143	\$0	\$10,470	\$ 10,470	\$ 0
1830	Poles, Towers & Fixtures	\$89,727	\$76,388	\$18,213	\$184,328	\$ 184,328	\$ 0
1835	Overhead Conductors & Devices	\$29,075	\$49,989	\$2,017	\$81,081	\$ 81,130	\$ 49
1840	Underground Conduit	\$46,088	\$37,681	\$1,644	\$85,412	\$ 85,412	\$ (0)
1845	Underground Conductors & Devices	\$33,113	\$95,056	\$2,993	\$131,162	\$ 131,162	\$ 0
1850	Line Transformers	\$90,052	\$91,146	\$2,249	\$183,447	\$ 183,428	\$ (18)
1855	Services Overhead	\$1,950	\$4,006	\$800	\$6,755	\$ 6,772	\$ 17
1855	Services Underground	\$7,922	\$51,272	\$1,532	\$60,726	\$ 60,741	\$ 15
1860	Meters 15yrs	\$18,261	\$129,167	\$2,761	\$150,189	\$ 149,918	\$ (271)
1860	Meters >50	\$8,446	\$10,839	\$368	\$19,653	\$ 19,653	\$ (0)
1860	Meters CT's & PT's	\$2,052	\$5,425	\$377	\$7,853	\$ 7,853	\$ (0)
1905	Land	\$0	\$0	\$0	\$0	\$ -	\$ -
1908	Buildings and Fixtures (50)	\$0	\$6,229	\$0	\$6,229	\$ 6,229	\$ 0
1908	Buildings and Fixtures (40)	\$734	\$694	\$0	\$1,429	\$ 1,429	\$ 0
1908	Buildings and Fixtures (25)	\$6,758	\$10,677	\$1,600	\$19,035	\$ 19,212	\$ 177
1915	Office Furniture & Equipment (10 years)	\$0	\$12,054	\$0	\$12,054	\$ 12,054	\$ (0)
1920	Computer Equipment - Hardware	\$523	\$20,877	\$1,500	\$22,899	\$ 22,899	\$ 0
1930	Transportation Equipment (8)	\$0	\$11,455	\$0	\$11,455	\$ 11,455	\$ (0)
1930	Transportation Equipment (15)	\$0	\$87,851	\$0	\$87,851	\$ 87,851	\$ -
1935	Stores Equipment	\$0	\$9,062	\$0	\$9,062	\$ 9,460	\$ 399
1940	Tools, Shop & Garage Equipment	\$672	\$21,929	\$0	\$22,601	\$ 22,601	\$ 0
1945	Measurement & Testing Equipment	\$0	\$1,026	\$0	\$1,026	\$ 1,026	\$ (0)
1955	Communications Equipment	\$0	\$7,113	\$0	\$7,113	\$ 7,113	\$ (0)
1960	Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$ 547	\$ 547
1970	Load Management Controls Customer Premises	\$0	\$1,644	\$0	\$1,644	\$ 1,644	\$ 0
1980	System Supervisor Equipment	\$0	\$18,083	\$27	\$18,109	\$ 18,109	\$ (0)
1995	Contributions & Grants - Transformer Station	\$0	(\$30,457)	\$0	(\$30,457)	\$ (30,457)	\$ (0)
1995	Contributions & Grants - Poles	(\$294)	(\$5,959)	(\$227)	(\$6,480)	\$ (6,480)	\$ 0
1995	Contributions & Grants - OH Conductors	(\$783)	(\$3,636)	(\$202)	(\$4,620)	\$ (4,620)	\$ 0
1995	Contributions & Grants - UG Conduit	(\$3,028)	(\$10,525)	(\$919)	(\$14,472)	\$ (14,472)	\$ -
1995	Contributions & Grants - UG Conductors	(\$3,565)	(\$20,339)	(\$1,079)	(\$24,982)	\$ (24,982)	\$ (0)
1995	Contributions & Grants - Line Transformers	(\$4,399)	(\$28,055)	(\$970)	(\$33,424)	\$ (33,424)	\$ (0)
1995	Contributions & Grants - Services OH	(\$7)	(\$231)	(\$6)	(\$244)	\$ (244)	\$ 0
1995	Contributions & Grants - Services UG	(\$5,841)	(\$30,559)	(\$1,259)	(\$37,659)	\$ (37,659)	\$ 0
1995	Contributions & Grants - Meters 15 years	(\$759)	(\$15,274)	(\$1,034)	(\$17,066)	\$ (17,066)	\$ 0
1995	Contributions & Grants - Meters 25 years	(\$224)	(\$2,501)	(\$146)	(\$2,871)	\$ (2,871)	\$ -
1995	Contributions & Grants - Meters 35 years	(\$62)	(\$2,388)	(\$251)	(\$2,700)	\$ (2,700)	\$ (0)
1995	Contributions & Grants - Load Mgmt Control	\$0	(\$1,360)	\$0	(\$1,360)	\$ (1,360)	\$ (0)
	Total	\$ 399,981	\$ 810,019	\$ 32,989	\$ 1,242,990	\$ 1,243,600	\$ 610

- 1 Contributions in aid of construction consist of third-party contributions toward the cost
2 of constructing distribution assets and may be partially refunded by GPI based on the
3 economic evaluation process, in accordance with the OEB's Distribution System Code.
4 They are accounted for as reductions to the cost of related capital assets and are
5 amortized at rates corresponding with the useful lives of the related capital assets.
- 6 Under MIFRS, contributions in aid of construction received since 2012 are treated as
7 deferred revenue for financial statement reporting purposes. GPI applies the half-year
8 rule when calculating the first year of amortization.

PILS AND PROPERTY TAXES

9.1 OVERVIEW OF PROVISION IN LIEU OF TAXES (PILS)

Tax Calculations

GPI is subject to Payments in Lieu of Taxes (PILs) under Section 93 of the Electricity Act, 1998, and related regulations.

GPI does not pay Section 89 proxy taxes, and is exempt from the payment of incomes taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act.

A copy of the 2020 Federal Tax T2 and Ontario C23 tax return has been provided in Exhibit 4, Tab 9, Attachment 1.

PILs for the 2022 Test Year

The 2022 Test Year PILs have been determined by applying substantively enacted 2022 tax rates against Taxable Income. The 2022 Taxable Income amount has been determined by taking Utility Income before Taxes and applying Schedule 1 corporate tax adjustments to this number.

Utility Income before Taxes

This is calculated based on the 2022 expected total revenue less the 2022 expected expenses. Utility Income before taxes is \$268,205. The details of this calculation are found in the Revenue Deficiency in Table 6-1 of Exhibit 6, Tab 1.

Tax Adjustments

Tax adjustments are made for both temporary and permanent differences and reserves. Significant temporary differences included are:

- The difference between depreciation for accounting purposes versus capital cost allowance (CCA) for tax purposes.

- The differences between opening and closing reserves from financial statements. These reserves relate to GPI's goods and services not delivered.

Expected 2022 Tax Rates

GPI has used the most recent tax rates available at present for the 2021 Bridge Year and 2022 Test Year, which are listed below:

Small Business Deduction – 7.00%

Federal Income Tax – 15.00%

Ontario Income Tax – 11.50%

Combined Income Tax – 26.50%

GPI has calculated PILs using the Board approved model – "Income Tax/PILs Work form –Version 1.1" and has provided a live spreadsheet with this application.

Capital Cost Allowance

GPI is providing the Capital Cost Allowance continuity schedule for the 2021 Bridge Year (Table 4-50) and the 2022 Test Year (Table 4-51) as follows. These tables are from the excel spreadsheet model – 2022_Test_Year_Income_Tax_PILs_Workform.

Table 4-50
Schedule 8 CCA – 2021 Bridge Year
Capital Cost Allowance

Class	Class Description	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Buildings, Distribution System (acq'd post 1987)	\$ 10,081,789			\$ 10,081,789	\$ -	\$ 10,081,789	4%	\$ 403,272	\$ 9,678,517
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	\$ 23,577	\$ 20,000		\$ 43,577	\$ 10,000	\$ 53,577	6%	\$ 3,215	\$ 40,362
2	Distribution System (acq'd pre 1988)	\$ 261,017			\$ 261,017	\$ -	\$ 261,017	6%	\$ 15,661	\$ 245,356
3	Buildings (acq'd pre 1988)	\$ -			\$ -	\$ -	\$ -	5%	\$ -	\$ -
6	Certain Buildings; Fences	\$ 11,715			\$ 11,715	\$ -	\$ 11,715	10%	\$ 1,172	\$ 10,544
8	General Office Equipment, Furniture, Fixtures	\$ 427,865	\$ 44,000		\$ 471,865	\$ 22,000	\$ 493,865	20%	\$ 98,773	\$ 373,092
10	Motor Vehicles, Fleet	\$ 317,140	\$ 87,000		\$ 404,140	\$ 43,500	\$ 447,640	30%	\$ 134,292	\$ 269,848
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Application Software (Non-Systems)	\$ -	\$ 20,000		\$ 20,000	\$ -	\$ 20,000	100%	\$ 20,000	\$ -
13.1	Lease # 1	\$ -			\$ -	\$ -	\$ -	NA		\$ -
13.2	Lease # 2	\$ -			\$ -	\$ -	\$ -	NA		\$ -
13.3	Lease # 3	\$ -			\$ -	\$ -	\$ -	NA		\$ -
13.4	Lease # 4	\$ -			\$ -	\$ -	\$ -	NA		\$ -
14	Limited Period Patents, Franchises, Concessions or Licences	\$ -			\$ -	\$ -	\$ -	NA		\$ -
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	\$ -			\$ -	\$ -	\$ -	7%	\$ -	\$ -
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	\$ -			\$ -	\$ -	\$ -	5%	\$ -	\$ -
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage	\$ 1,778			\$ 1,778	\$ -	\$ 1,778	8%	\$ 142	\$ 1,635
42	Fibre Optic Cable	\$ -			\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	\$ -			\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	\$ 6			\$ 6	\$ -	\$ 6	45%	\$ 3	\$ 3
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System (acq'd post Feb 22/05)	\$ 10,074,082	\$ 1,908,845		\$ 11,982,927	\$ 954,423	\$ 12,937,350	8%	\$ 1,034,988	\$ 10,947,939
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 20,879	\$ 45,040		\$ 65,920	\$ 22,520	\$ 88,440	55%	\$ 48,642	\$ 17,278
95	CWIP				\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 21,219,848	\$ 2,124,886	\$ -	\$ 23,344,733	\$ 1,052,443	\$ 24,397,176		\$ 1,760,159	\$ 21,584,575

Table 4-51
Schedule 8 CCA – 2022 Test Year
Capital Cost Allowance

Class	Class Description	UCC Regulated Historical Year	Additions	Disposals (Negative)	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Bridge Year CCA	UCC End of Bridge Year
1	Buildings, Distribution System (acq'd post 1987)	\$ 9,678,517			\$ 9,678,517	\$ -	\$ 9,678,517	4%	\$ 387,141	\$ 9,291,377
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	\$ 40,362	\$ 80,000		\$ 120,362	\$ 40,000	\$ 160,362	6%	\$ 9,622	\$ 110,741
2	Distribution System (acq'd pre 1988)	\$ 245,356			\$ 245,356	\$ -	\$ 245,356	6%	\$ 14,721	\$ 230,635
3	Buildings (acq'd pre 1988)	\$ -			\$ -	\$ -	\$ -	5%	\$ -	\$ -
6	Certain Buildings; Fences	\$ 10,544			\$ 10,544	\$ -	\$ 10,544	10%	\$ 1,054	\$ 9,489
8	General Office Equipment, Furniture, Fixtures	\$ 373,092			\$ 373,092	\$ -	\$ 373,092	20%	\$ 74,618	\$ 298,473
10	Motor Vehicles, Fleet	\$ 269,848			\$ 269,848	\$ -	\$ 269,848	30%	\$ 80,954	\$ 188,894
10.1	Certain Automobiles	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Application Software (Non-Systems)	\$ -	\$ 5,000		\$ 5,000	\$ -	\$ 5,000	100%	\$ 5,000	\$ -
13.1	Lease # 1	\$ -			\$ -	\$ -	\$ -	NA		\$ -
13.2	Lease # 2	\$ -			\$ -	\$ -	\$ -	NA		\$ -
13.3	Lease # 3	\$ -			\$ -	\$ -	\$ -	NA		\$ -
13.4	Lease # 4	\$ -			\$ -	\$ -	\$ -	NA		\$ -
14	Limited Period Patents, Franchises, Concessions or Licences	\$ -			\$ -	\$ -	\$ -	NA		\$ -
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	\$ -			\$ -	\$ -	\$ -	7%	\$ -	\$ -
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	\$ -			\$ -	\$ -	\$ -	5%	\$ -	\$ -
17	Elec. Generation Equip. (Non-Bldg, acq'd post Feb 27/00); Roads, Lots, Storage	\$ 1,635			\$ 1,635	\$ -	\$ 1,635	8%	\$ 131	\$ 1,505
42	Fibre Optic Cable	\$ -			\$ -	\$ -	\$ -	12%	\$ -	\$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	\$ -			\$ -	\$ -	\$ -	50%	\$ -	\$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	\$ 3			\$ 3	\$ -	\$ 3	45%	\$ 2	\$ 2
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -			\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System (acq'd post Feb 22/05)	\$ 10,947,939	\$ 2,293,842		\$ 13,241,781	\$ 1,146,921	\$ 14,388,702	8%	\$ 1,151,096	\$ 12,090,685
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 17,278	\$ 16,063		\$ 33,341	\$ 8,032	\$ 41,373	55%	\$ 22,755	\$ 10,586
95	CWIP				\$ -	\$ -	\$ -		\$ -	\$ -
	TOTAL	\$ 21,584,575	\$ 2,394,905	\$ -	\$ 23,979,480	\$ 1,194,952	\$ 25,174,432		\$ 1,747,094	\$ 22,232,385

1 ***Integrity Checks***

2 GPI has completed the integrity checks for the following information as detailed in the
3 filing requirements.

- 4 • The depreciation and amortization added back in the PILs model agree with the
5 numbers disclosed in the rate base section of the application;
- 6 • The capital additions and deductions in the UCC/CCA Schedule 8 agree with the
7 rate base section for Historical, 2021 Bridge Year and 2022 Test Years;
- 8 • Schedule 8 of the most recent federal T2 tax return filed as at December 31,
9 2020 agrees with the opening 2021 Bridge Year UCC. GPI confirms that there
10 were no non-distribution tax amounts on Schedule 8 of the December 31, 2020
11 tax return;
- 12 • The income tax rate used to calculate the tax expense is consistent with GPI's
13 actual tax rates and the evidence filed in the application.

14 **9.2 HISTORICAL PILS**

15 Table 4-52 below summarizes the tax calculations for 2016 to 2020 Historical Years
16 and for Bridge and 2021 Test Years. The table itemizes all additions and deductions
17 that are part of GPI's tax calculations.

18 Financial Statements do not differ from the financial statements filled in support of the
19 application and therefore are not included with the tax return.

20 GPI does not have any additional expenses that are deductible for general tax purposes,
21 but for which recovery in 2022 distribution rates would be partially or fully disallowed.

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Table 4-52
Tax Calculation
2016 Board Approved to 2022 Test Year

ITEM	2016 Board Approved	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 BRIDGE	2022 TEST
Accounting Net Income before Taxes	903,433	285,856	1,065,653	979,604	1,124,486	762,691	979,027	966,360
Current Tax	(26,689)	20,000	(282,398)	(43,812)		216,299		
Future Tax		122,785	(114,523)	(151,616)	-			
Accounting Net Income after Taxes	876,744	428,641	668,732	784,176	1,124,486	978,990	979,027	966,360
Additions:								
Provisions for Income Taxes - Current	26,689	(20,000)	282,398	43,812	295,323			
Provisions for Income Taxes - Deferred		(122,785)	114,523	151,616				
Interest and penalties on taxes			-	1,430	275			
Amortization of Tangible Assets	1,147,717	1,127,743	1,149,007	1,187,515	1,153,414	1,205,929	1,261,147	1,320,629
Loss on Disposal of Assets		5,778	-			18,733		
Charitable Donations from Schedule 2		13,154	2,675	11,418	4,350	3,000	3,000	3,000
Non-Deductible Club Dues					900			
Non-Deductible Meals and Entertainment Expenses		3,702	4,112	2,492		1,203	2,038	1,887
Other Reserves from Schedules 13	746,346	746,346	759,030	1,215,211	1,432,830	1,294,287	1,283,339	1,452,673
Reserves @ End of the Year	998,958	765,530	1,221,711	1,439,330	1,300,787	1,289,839	1,459,173	1,585,475
Subtotal of additions	2,919,709	2,519,468	3,533,456	4,052,824	4,190,299	3,812,991	4,008,697	4,363,664
Other Additions								
Opening Regulatory Assets Balance		54,946	231,800	1,006,730	1,166,922	1,067,168	1,248,237	1,375,000
Inducement - ITA 12(1)(x)		1,425						
Capital Assets Additions Included in Regulatory Balance		402,676	402,676	402,676	402,676			
Capital Contribution Received					214,248	461,764	344,613	423,426
Subtotal of other additions	-	459,048	634,476	1,409,406	1,783,846	1,528,932	1,592,850	1,798,426
Total Additions:	3,796,453	3,407,156	4,836,664	6,246,406	7,098,631	6,320,913	6,580,575	7,128,449
Deductions								
Gain on Disposal of Assets			5,058	3,755	1,716			
Capital Cost Allowance from Schedule 8	1,443,259	1,434,105	1,449,882	1,589,624	1,830,316	1,752,171	1,760,159	1,747,094
Other Reserves from Schedules 13	1,010,458	759,030	1,215,211	1,432,830	1,294,287	1,283,339	1,452,673	1,578,975
Reserves @ Beginning of the Year	752,846	752,846	765,530	1,221,711	1,439,330	1,300,787	1,289,839	1,459,173
Contribution to Deferred Income Schedule 15					20,972	18,289		
Subtotal of deductions	3,206,563	2,945,981	3,435,681	4,247,920	4,586,621	4,354,586	4,502,671	4,785,242
Other Deductions								
Regulatory Assets Opening Balance		399,728	402,676	402,676	402,676			
Unrealized interest rate adjustment		164,714	8,605					
Regulatory Assets Closing Balance		231,800	1,006,730	1,166,922	1,067,168	1,248,237	1,375,000	980,000
Amortization of Deferred Revenue		107,795	121,588	136,815	145,598	154,859	166,052	176,335
Tax Recovery on Net Movement					313,105	165,059		
Election 13(7.4) - Capital contribution Recovery					214,248	461,764	344,613	423,426
Loss on Disposal not prev capitalized						17,117		
18(9.1) deduction (1/9)			70,183	76,697	76,697			
Subtotal of other deductions	-	904,037	1,609,782	1,783,110	2,219,492	2,123,733	1,885,666	1,579,761
Total Deductions:	3,206,563	3,850,018	5,045,463	6,031,030	6,806,113	6,478,319	6,388,336	6,365,003
Income for Tax Purpose before Losses	589,890	(442,862)	(208,799)	215,376	292,518	(157,406)	192,239	763,447

4

5 9.3 TAX CREDITS

6 GPI is not claiming tax credits such as Apprenticeship Training Tax Credits or Education
7 Tax Credits.

8 GPI takes advantage of the tax credits, where available, to minimize payable or
9 maximize loss carry forward.

1 **9.4 NON-CAPITAL LOSSES**

2 GPI is forecasting a non-capital loss carry-forward balance of \$556,002 at the end of
3 2021, before adjustments. Upon review of the 2018-2020 taxation years, GPI
4 determined that the non-capital loss carry-forward balance of \$556,002 would have
5 been lower by \$458,212 if GPI did not take accelerated capital cost allowance (CCA) in
6 the 2018-2020 taxation years.

7 GPI took full advantage of the accelerated CCA in each of the 2018-2021 taxation years.
8 As the full amount of \$458,212 of the accelerated CCA benefit from 2018 - 2020 has
9 been included in account 1592, this benefit must be removed from the non-capital loss
10 carry-forward balance in 2021 or the benefit to the ratepayers would be double
11 counted.

12 GPI did not reduce the non-capital loss carry-forward balance by the 2021 accelerated
13 CCA, as this balance has not been included in account 1592. In essence, the benefit of
14 the accelerated CCA in 2021 has been carried forward to the 2022 Test year, to reduce
15 the PILS payable.

16 After adjusting the 2021 non-capital loss balance of \$556,002 by \$458,212, the 2021
17 adjusted ending non-capital loss balance is \$97,790. In the PILS Model, this amount
18 was divided over the rate period such that the non-capital loss balance applied in 2022,
19 and each subsequent rate period, is equal to 1/5 of the adjusted carry-forward balance,
20 i.e. \$19,558.

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Table 4-53

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Adjustment to the PILS model

<u>Adjustment to PILS Model</u>		
Non-capital losses - end of Bridge Year	556,002	a
Less: losses from due to accelerated CCA	(462,338)	e
Less: adjustment	4,126	e
Adjusted loss for PILS Model	97,790	b
 Losses applied equally to each rate period	 \$ 19,558	 c = b / 5
<u>Account 1592 Reconciliation</u>		
	sum of e =	(458,212)
	tax rate	26.50%
	Tax effected	(121,426) **
	Gross up	(43,779)
	Grossed up	(165,206)
** agrees to sum of the benefit already included in account 1592.		

3

4 **Taxable Income with and without Accelerated CCA**

5 Including 100% of the accelerated CCA in the computation of taxable income (loss)
6 results in a loss at the end of the 2021 Bridge Year of \$556,002. In reviewing taxable
7 income (loss) without accelerated CCA, it is clear that GPI would have used more of its
8 non-capital loss balance in the 2018 and 2019 taxation years, and it would have
9 reduced the non-capital loss balance generated in the 2020 taxation year. Therefore,
10 it is clear that the non-capital loss balance of \$556,002 would have otherwise been
11 lower by \$462,337 had it not been for the accelerated CCA benefit.

12 As the accelerated CCA benefit has already been included in account 1592, this amount
13 needs to be removed from the non-capital loss balance at the end of 2021.

14 As outlined in the table below, the difference in the non-capital losses resulting from
15 the accelerated depreciation is a total of \$462,338 (2018: \$78,921; 2019: \$251,748;
16 2020: \$131,669). Of this amount, \$458,212 has been included in account 1592. The
17 reason for the \$4,126 difference is because account 1592 was based on the 2020 tax
18 provision estimate, and the table below was based on the actual additions on the 2020
19 PILS Tax Return.

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Table 4-54
Taxable Income with and without Accelerated CCA
2018 Actual to 2022 Test Year

Taxable Income (loss) with Accelerated CCA				
	2018	2019	2020	2021 - Bridge
Net Income for Tax Purposes	215,029	292,518	(157,406)	192,239
Charitable donations	(27,247)	(4,350)	-	-
Non-capital loss carry-forward used	(187,782)	(288,168)	-	(192,239)
Taxable income (loss) with Accelerated CCA	-	-	(157,406)	-
Non-capital loss carry-forward opening balance	1,066,785	879,003	590,835	748,241
Added/(Used)	(187,782)	(288,168)	157,406	(192,239)
Non-capital loss carry-forward ending balance	879,003	590,835	748,241	556,002
Taxable Income (loss) without Accelerated CCA				
	2018	2019	2020	2021 - Bridge
Net Income for Tax Purposes	215,029	292,518	(157,406)	192,239
Add: Difference in CCA due to accelerated CCA	78,921	251,748	131,669	118,198
Net income for Tax Purposes without accelerated CCA	293,950	544,266	(25,737)	310,437
Charitable donations	(27,247)	(4,350)	-	-
Non-capital loss carry-forward used	(266,703)	(539,916)	-	(285,903)
Taxable income (loss) without Accelerated CCA	-	-	(25,737)	24,534
Non-capital loss carry-forward opening balance	1,066,785	800,082	260,167	285,903
Added/(Used)	(266,703)	(539,916)	25,737	(285,903)
Non-capital loss carry-forward ending balance	800,082	260,167	285,903	-

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Table 4-55
2020 Accelerated CCA Calculation – Summary

Tax Year	CCA Difference	Tax Effect	Gross Up	Gross Up Amount
2018	(\$78,921)	(\$20,914)	(\$7,540)	(\$28,455)
2019	(\$251,748)	(\$66,713)	(\$24,053)	(\$90,766)
2020	(\$131,669)	(\$34,892)	(\$12,580)	(\$47,472)
Total	(\$462,338)	(\$122,520)	(\$44,174)	(\$166,693)
Adjustment*	\$4,126	\$1,093	\$394	\$1,488
Account 1592	(\$458,212)	(\$121,426)	(\$43,780)	(\$165,206)

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*Adjustment due to the fact that account 1592 was based on a preliminary estimate of the 2020 tax additions.



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The Additions to accounting income for the 2020 Historical Year, 2021 Bridge Year and 2022 Test Year are:

- Amortization of tangible assets – supporting schedule is in Exhibit 4, Tab 8 – Depreciation and Amortization – Table 4-41;
- Non-deductible meals and entertainment – historical amounts for 2019 and 2020 were used to forecast 2021 Bridge Year and 2022 Test Year;
- Donations are being claimed in the 2021 Bridge Year and 2022 Test Year at \$3,000 based on the 2019 and 2020 experience.
- Reserves calculation is as shown in the PILs model.

The deductions to accounting income for the 2020 Historical Year, 2021 Bridge Year and 2022 Test year include the following:

- CCA which has been provided in table 4-50 and 4-51 for the 2021 Bridge Year and 2022 Test Year;
- Depreciation of capital contributions are supported by Exhibit 2 and 3 of this application and agree to the OEB filing – Appendix 2BA.

In accordance with the filing requirements, GPI has excluded Regulatory Assets and Liabilities balances from the additions/deductions to accounting income for both the 2021 Bridge Year and 2022 Test Year.

9.6 PROPERTY TAXES

GPI pays property taxes to the Town of Grimsby for two substations and the administration building and to the Town of Lincoln for the NWTS station. In accordance with the Accounting Procedures Handbook, GPI segregates the Property Tax accordingly.

The 2022 Test Year property tax amounts have been estimated based on the 2020 actual amounts.

1 Below is a summary of the total property taxes:

2 **Table 4-58**

3 **Property Tax**

4 **2016 Board Approved to 2022 Test Year**

Current Taxes	OEB Account	2016 Board Approved	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Bridge Year	2022 Test Year
Property Taxes									
Property Taxes - NWTS	5015		6,867	4,608	5,856	6,019	6,276	6,414	6,555
Property Taxes - Substations	5017	2,964	2,648	2,550	2,603	2,660	3,183	3,355	3,537
Property Taxes - Building	6105	27,594	26,113	29,371	30,325	35,547	39,416	41,545	43,800
Total Property Taxes		30,558	35,628	36,529	38,785	44,225	48,875	51,314	53,892

5
6
7



Grimsby Power Inc.
Filed: July 30, 2021
EB-2021-0027
Exhibit 4
Tab 9
Attachment 1

ATTACHMENT 1

2020 FEDERAL TAX T2 AND ONTARIO C23 TAX RETURN



KPMG LLP
Suite 700, Commerce Place
21 King Street West
Hamilton ON L8P 4W7
Canada
Telephone (905) 523-8200
Fax (905) 523-2222

PRIVATE AND CONFIDENTIAL

Ms. MIOARA DOMOKOS
Director of Finance
Grimsby Power Incorporated
231 Roberts Road
Grimsby ON L3M 5N2

April 28, 2021

Dear Ms. DOMOKOS:

Subject: Grimsby Power Incorporated - Corporate Income Tax Returns

We have enclosed the corporate income tax return(s) of (the "Returns") Grimsby Power Incorporated (the "Company") for the period ended December 31, 2020.

- | |
|--|
| <ul style="list-style-type: none"><input checked="" type="checkbox"/> T2 – <i>Corporation Income Tax Return</i> – EXEMPT<input checked="" type="checkbox"/> T183 - <i>Information Return for Corporations Filing Electronically</i>
(Federal - to be e-filed with CRA) - Exempt<input checked="" type="checkbox"/> T2 – <i>Corporations Income Tax Return</i> (to be filed with Ministry of Finance) - PILS<input checked="" type="checkbox"/> Client copy for your records |
|--|

We have prepared these Returns based on our understanding of and reliance upon the facts, data, materials, assumptions and other information (collectively, the "Information") provided to us by the Company and/or its representatives, and we have not independently investigated or verified the accuracy or completeness of such Information. We accept no responsibility or liability for any errors attributable to our reliance upon inaccurate or incomplete Information. We recommend that you carefully review the Returns in their entirety to ensure that all of the relevant Information is correctly and completely disclosed.

When you are satisfied that the Returns are in order they must be filed (electronically or in paper format) with the respective taxing authorities by the due date (as set out in the following instructions) if late filing penalties are to be avoided or minimized, or if losses are carried back to a prior taxation year. One copy of each Return should be retained for your records (the "Client Copy") and the remaining copies should be completed by an authorized signing officer of the Company and filed as described below.

FOREIGN PROPERTY

The information return, which reports the Company's specified foreign property, is Form T1135 - *Foreign Income Verification Statement*. Form T1135 should be completed if at any time during 2020 the total cost of all specified foreign property the Company owned or held a beneficial interest in was more than Cdn\$100,000.

According to the information you have provided to us, the Company did not hold specified foreign property at any time in 2020 with a total cost of more than Cdn\$100,000. As such, we have **not** marked an X in box 259 on page 3 of your return and **we have not completed the Form T1135**. If the information on specified foreign property is incorrect, please let us know immediately.

The Form T1135 is due by **June 30, 2021**. The implications of late filing and/or failure to properly report specified foreign property on the Form T1135 and failure to report income from a specified foreign property on your income tax return are substantial. They include significant penalties and an increase to the normal reassessment period by an additional 3 years. Further, the reassessment period extension would impact otherwise statute-barred tax years and would impact the entire income tax return, not just the foreign income and reporting sections.

DUE DATE OF RETURNS AND PAYMENTS

All returns must be filed with the respective taxing authorities by June 30, 2021 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 as soon as possible if interest charges are to be minimized.

T2 – T183 – INFORMATION RETURN FOR CORPORATIONS FILING ELECTRONICALLY (FEDERAL-EXEMPT)

In order for us to electronically file the Company's corporate exempt income tax return, a signed copy of Form T183CORP – Information Return for Corporations Filing Electronically must be returned to us. Please note that we will not electronically file the Company's corporate income tax return until we receive the signed Form T183 Corp.

The Form T183CORP – Information Return for Corporations Filing Electronically includes information from your Company's income tax return and all applicable schedules.

Signature

☞ Form T183CORP – Information Return for Corporations Filing Electronically should be completed and signed

No amount is payable for the **2020** taxation year.

Mailing

- ✉ One copy of the signed Form T183 Corp should be returned to KPMG by fax at (905) 523-2222, as soon as possible, no later than June 30, 2021, in order to have the Company's Return filed on or before the due date for filing. **We will not electronically file the return until we receive a copy of the signed T183CORP.** The Form T183CORP must **not** be sent to the CRA.

T2 – CORPORATION INCOME TAX RETURN - MINISTRY OF FINANCE

Signature

- ✍ Form T2, the certification section on page 9 should be completed and signed.

No amount is payable for the **2020** taxation year.

Mailing

- ✉ One copy of the Return and one copy of the Company's financial statements must be **received** by The Ministry of Finance, HYDRO PIL DIVISION, PO Box 620, 33 King Street West, Oshawa, ON, L1H 8E9 no later than **June 30, 2021**. For greater certainty, KPMG will not be mailing this Return

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 in respect of federal and provincial income and capital taxes are required for the taxation year ending December 31, 2021.

If you have any questions concerning these returns, or if we may be of any further assistance, please feel free to contact us.

Yours truly,



Michael Hindley
Partner, Tax

Enclosure



Canada Revenue Agency
Agence du revenu
du Canada

T2 Corporation Income Tax Return

200

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

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

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

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

055 Do not use this area

Identification

Business number (BN) 001 86487 4839 RC0002

Corporation's name

002 Grimsby Power Incorporated

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.

011 231 Roberts Road

012 City Province, territory, or state
015 Grimsby 016 ON

Country (other than Canada) Postal or ZIP code
017 018 L3M 5N2

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? 020 Yes ☐ No ☒

If yes, complete lines 021 to 028.

021 c/o
022
023

City Province, territory, or state
025 026

Country (other than Canada) Postal or ZIP code
027 028

Location of books and records (if different from head office address)

Has this address changed since the last time we were notified? 030 Yes ☐ No ☒

If yes, complete lines 031 to 038.

031
032

City Province, territory, or state
035 036

Country (other than Canada) Postal or ZIP code
037 038

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 Tax year-end
Year Month Day Year Month Day
060 2020-01-01 061 2020-12-31

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

098

Attachments

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

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

	Yes	Schedule
Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	151 <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input checked="" type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167 <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168 <input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170 <input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	180 <input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202 <input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	213 <input checked="" type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221 <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 <input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	254 <input type="checkbox"/>	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272 <input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255 <input type="checkbox"/>	92

- Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input checked="" type="checkbox"/> 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?	<input checked="" type="checkbox"/> 259	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input checked="" type="checkbox"/> 260	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input checked="" type="checkbox"/> 261	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input checked="" type="checkbox"/> 262	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input checked="" type="checkbox"/> 263	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input checked="" type="checkbox"/> 264	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/> 265	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input checked="" type="checkbox"/> 266	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input checked="" type="checkbox"/> 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?	<input checked="" type="checkbox"/> 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?	<input checked="" type="checkbox"/> 269	54

- Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is the corporation inactive?	280	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	221122 Electric Power Distribution		
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	ELECTRICITY DISTRIBUTION	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes <input type="checkbox"/>	No <input type="checkbox"/>

- Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	-157,406	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			
Subtotal		a	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:

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

Business limit reduction

Taxable capital business limit reduction

Amount C	500,000	x	415 ***	35,896	D	=	1,595,378	E
				11,250				

Passive income business limit reduction

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

The greater of amount E and amount G 422 1,595,378 H

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

Reduced business limit after assignment for tax years starting before 2019 (line 425 **minus** amount J) 427

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

Small business deduction

Tax years starting before 2019

Amount A, B, C, or line 427 whichever is the least	x	Number of days in the tax year after December 31, 2017, and before January 1, 2019	x	18 % =	1
		366			

Amount A, B, C, or line 427 whichever is the least	x	Number of days in the tax year after December 31, 2018	x	19 % =	2
		366			

Tax years starting after 2018

Amount A, B, C, or K, whichever is the least	x	19 % =	3
--	---	--------	---

Small business deduction (total of amounts 1 to 3) 430

Enter amount from line 430 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. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. 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)

L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
	490	500	505
1.			
Total 510		Total 515	

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
- (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
- (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula $A - B$, where A is the amount of income referred to in column M 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** $\times 30 \frac{2}{3} \% =$ A

Foreign non-business income tax credit from line 632 on page 8 B

Foreign investment income from Schedule 7 **445** $\times 8 \% =$ 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 $\times 75 / 29 =$ H

Foreign business income tax credit from line 636 on page 8 $\times 4 =$ I

Subtotal (**add** amounts G to I) J

Subtotal (amount F **minus** amount J) (if negative, enter "0") K $\times 30 \frac{2}{3} \% =$ 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 $\times 38 \frac{1}{3} \% =$ 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)			DD
NERDTOH balance at the end of the tax year (line 545)			EE
Non-eligible dividend refund (amount DD or EE, whichever is less)			FF
Amount DD minus amount EE (if negative, enter "0")			GG
Amount BB minus amount CC (if negative, enter "0")			HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)			II
Dividend refund* - Amount CC plus amount FF plus amount II			JJ

Enter amount JJ on line 784 on page 9.

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

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 % **550** 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** **632**

Federal foreign non-business income tax credit from Schedule 21 **636**

Federal foreign business income tax credit from Schedule 21 **638**

General tax reduction for CCPCs from amount I on page 5 **639**

General tax reduction from amount P on page 5 **640**

Federal logging tax credit from Schedule 21 **641**

Eligible Canadian bank deduction under section 125.21 **648**

Federal qualifying environmental trust tax credit **652**

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 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)

Total tax payable **760**
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
Canadian journalism labour tax credit from Schedule 58	798
Tax withheld at source	800
Total payments on which tax has been withheld	801
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840
Total credits	890

Balance (amount A minus amount B)

Refund code **894**

Refund

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 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.

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 EFIL number

920 A6698

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

Certification

I, **950** DOMOKOS **951** MIOARA **954** Director of Finance
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 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (905) 945-5437 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**

Grimsby Power Incorporated
Period ended December 31, 2020
BN 86487 4839 RC0002
Regulation 1101(5b.1) Election

The taxpayer hereby elects pursuant to subsection 1101(5b.1) of the Income Tax Regulations of Canada, to include each eligible non-residential building acquired during the year in a separate prescribed class.

Financial Statements of

**GRIMSBY POWER
INCORPORATED**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
80 King Street, Suite 620
St. Catharines ON L2R 7G1
Canada
Tel 905-685-4811
Fax 905-682-2008

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Grimsby Power Incorporated

Opinion

We have audited the financial statements of Grimsby Power Incorporated (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2020
- 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, 2020, 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.



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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, 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.



Page 3

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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
April 22, 2021

GRIMSBY POWER INCORPORATED

Statement of Financial Position

As at December 31, 2020, with comparative information for 2019

	Notes	2020	2019
Assets			
Current assets			
Accounts receivable	4	\$ 1,788,677	\$ 1,610,818
Due from related parties	18	6,275	35
Unbilled revenue		2,884,911	2,711,001
Inventory	5	910,353	791,703
Prepaid expenses		200,778	271,757
Total current assets		5,790,994	5,385,314
Non-current assets			
Property, plant and equipment	6	29,670,685	29,030,465
Intangible assets	7	66,549	43,810
Deferred tax assets	9	1,574,529	1,471,868
Other capital assets	6	127,603	80,727
Total non-current assets		31,439,366	30,626,870
Total assets		37,230,360	36,012,184
Regulatory balances	10	1,788,352	1,261,921
Regulatory balances – income tax	10	798,708	574,139
Total regulatory balances		2,587,060	1,836,060
Total assets and regulatory balances		\$ 39,817,420	\$ 37,848,244

GRIMSBY POWER INCORPORATED

Statement of Financial Position (continued)

As at December 31, 2020, with comparative information for 2019

	Notes	2020	2019
Liabilities and Equity			
Current liabilities			
Bank indebtedness		\$ 120,447	\$ 50,856
Accounts payable and accrued liabilities	11	2,966,530	3,816,472
Line of credit	12	2,090,000	530,000
Due to related parties	18	26,984	11,165
Deferred tax liabilities	9	-	177,629
Customer deposits		82,176	86,074
Long-term debt due within one year	12	568,739	555,203
Total current liabilities		5,854,876	5,227,399
Non-current liabilities			
Developers' deposits		1,186,357	1,193,608
Deferred tax liabilities	9	2,495,620	1,999,031
Deferred revenue	8	4,986,478	4,679,573
Other long-term liabilities		152,117	176,762
Long-term debt	12	12,436,931	13,004,883
Total non-current liabilities		21,257,503	21,053,857
Total liabilities		27,112,379	26,281,256
Equity			
Share capital	13	5,782,747	5,782,747
Contributed capital		70,721	70,721
Retained earnings		6,129,310	5,366,619
Total equity		11,982,778	11,220,087
Total liabilities and shareholders' equity		39,095,157	37,501,343
Regulatory balances	10	510,606	194,754
Regulatory balances – income tax	10	211,657	152,147
Total regulatory balances		722,263	346,901
Commitments and contingencies	16		
Total liabilities, equity and regulatory balances		\$ 39,817,420	\$ 37,848,244

See accompanying notes to the financial statements.

On behalf of the Board:

 Director

 Director

GRIMSBY POWER INCORPORATED

Statement of Comprehensive Income

Year ended December 31, 2020, with comparative information for 2019

	Notes	2020	2019
Revenue:			
Sale of energy		\$ 35,890,085	\$ 29,530,671
Distribution revenue		5,742,554	5,610,594
Other		345,526	413,894
	14	41,978,165	35,555,159
Operating expenses:			
Distribution expenses – operations		938,714	831,139
Distribution expenses – maintenance		644,984	640,714
Billing and collecting		572,363	476,547
Administration and general		1,370,420	1,210,703
Property taxes		39,416	35,547
Depreciation and amortization	6, 7	1,205,929	1,153,414
Other deductions		9,303	10,645
		4,781,129	4,358,709
Cost of power purchased		36,113,590	29,511,017
Total expenses		40,894,719	33,869,726
Income from operating activities		1,083,446	1,685,433
Finance costs	15	(480,094)	(478,974)
Income before income taxes		603,352	1,206,459
Income tax expense	9	216,299	295,323
Net income for the year		387,053	911,136
Net movement in regulatory balances	10	210,579	(99,755)
Tax recovery on net movement	10	165,059	313,105
		375,638	213,350
Net income for the year and net movement in regulatory balances		762,691	1,124,486
Total comprehensive income for the year		\$ 762,691	\$ 1,124,486

See accompanying notes to the financial statements.

GRIMSBY POWER INCORPORATED

Statement of Changes in Equity

Year ended December 31, 2020, with comparative information for 2019

	Share Capital	Contributed surplus	Retained earnings	Total
Balance at January 1, 2019	\$ 5,782,747	\$ 70,721	\$ 4,242,133	\$ 10,095,601
Net income and net movement in regulatory balances	-	-	1,124,486	1,124,486
Dividends	-	-	-	-
Balance at December 31, 2019	\$ 5,782,747	\$ 70,721	\$ 5,366,619	\$ 11,220,087
Balance at January 1, 2020	\$ 5,782,747	\$ 70,721	\$ 5,366,619	\$ 11,220,087
Net income and net movement in regulatory balances	-	-	762,691	762,691
Dividends	-	-	-	-
Balance at December 31, 2020	\$ 5,782,747	\$ 70,721	\$ 6,129,310	\$ 11,982,778

See accompanying notes to the financial statements.

GRIMSBY POWER INCORPORATED

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Operating activities:		
Net income and net movement in regulatory balances	\$ 762,691	\$ 1,124,486
Adjustments for:		
Depreciation and amortization	1,205,929	1,153,414
Amortization of deferred revenue	(154,859)	(145,598)
Loss (gain) on disposal of property, plant	18,733	(1,716)
Income tax expense	216,299	295,323
Finance costs	480,094	478,974
	2,528,887	2,904,883
Changes in non-cash operating working capital:		
Accounts receivable	(177,859)	176,951
Due from related parties	(6,240)	7,002
Unbilled revenue	(173,910)	(24,283)
Inventory	(118,650)	(126,372)
Prepaid expenses	70,979	31,257
Accounts payable and accrued liabilities	(849,942)	257,842
Due to related parties	15,819	(10,119)
Customer and developer deposits	(11,149)	26,924
Other long-term liabilities	(24,645)	(17,586)
	(1,275,597)	321,616
Regulatory balances	(375,638)	(213,350)
Contributions received from customers – deferred revenue	461,764	214,248
Income tax paid	-	(1,425)
Interest paid	(480,094)	(474,245)
Net cash from operating activities	859,322	2,751,727
Investing activities:		
Purchase of property, plant and equipment	(1,886,476)	(2,230,013)
Purchase of intangibles	(48,021)	-
Proceeds on disposal of property, plant and equipment	-	25,404
Net cash used by investing activities	(1,934,497)	(2,204,609)
Financing activities:		
Advance (repayment) of line of credit	1,560,000	(50,000)
Repayment of long-term debt	(554,416)	(551,155)
Net cash from financing activities	1,005,584	(601,155)
Change in cash	(69,591)	(54,037)
(Bank indebtedness) cash, beginning of year	(50,856)	3,181
Bank indebtedness, end of year	\$ (120,447)	\$ (50,856)

See accompanying notes to the financial statements.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements

Year ended December 31, 2020

1. Reporting entity:

Grimsby Power Incorporated (the "Corporation"), is incorporated under the laws of Ontario and is owned by Niagara Power Incorporated, which in turn is wholly owned by The Corporation of the Town of Grimsby. The Corporation's head office is located at 231 Roberts Road, Grimsby, Ontario, L3M 5N2.

The principal activity of the Corporation is to distribute electricity to the residents and businesses in the Town of Grimsby, under a license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the OEB and adjustments to the Corporation's distribution and power rates require OEB approval.

The financial statements are for the Corporation as at and for the year ended December 31, 2020.

2. Basis of presentation:

(a) Statement of compliance:

The Corporation'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 April 22, 2021.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

(d) Use of estimates and judgments:

(i) Assumptions and estimation uncertainty:

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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

(i) Assumptions and estimation uncertainty (continued):

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:

- Notes 3 (d), (e), (f), 6 and 7 – estimation of useful lives of its property, plant and equipment and intangible assets and related impairment tests on long-lived assets;
- Notes 3 (i), 10 – recognition and measurement of regulatory balances;
- Notes 3 (h), 16 – recognition and measurement of provisions and contingencies.

(ii) Judgments:

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 3 (j) – leases: whether an arrangement contains a lease; and
- Note 3 (b) – determination of the performance obligation for contributions from customers and the related amortization period.
- Notes 3 (i), 10 – recognition of regulatory balances;

(e) Rate regulation:

The Corporation 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 Corporation, 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 OEB has a decision and order in place banning LDC’s in Ontario from disconnecting homes for non-payment during the winter. This ban is normally in place from November 15 to April 30 each year but was extended during the year to July 31, 2020.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Basis of presentation (continued):

(e) Rate regulation (continued):

(i) Distribution rates:

The Corporation is required to file a “Cost of Service” (“COS”) rate application every five years, unless approved for a deferral, under which the OEB establishes the revenues required to recover the forecasted operating costs, including amortization and income taxes, of providing the regulated electricity distribution service and providing a fair return on the Corporation’s rate base. The Corporation estimates electricity usage and the costs to service each customer class in order to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and any registered interveners. Rates are approved based upon the review of evidence and information, including any revisions resulting from that review.

In the intervening years, an Incentive Regulation 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 set by the OEB and a “stretch factor” determined by the relative efficiency of an electricity distributor.

On December 23, 2015, the Corporation submitted a COS rate application to the OEB to change distribution rates effective May 1, 2016. The application was approved by the OEB on August 18, 2016 and issued its Rate Order on September 22, 2016.

On August 12, 2019 the Corporation submitted an IRM Application to the OEB requesting approval to change distribution rates effective January 1, 2020. The IRM Application, which provided a mechanistic and formulaic adjustment to distribution rates and charges, was approved by the OEB on December 12, 2019. The GDP IPI–FDD for 2019 is 2.0%, the Corporation’s stretch factor is 0.15% and the productivity factor determined by the OEB is 0%, resulting in a net adjustment of 1.85% to the previous year’s rates.

(ii) Electricity rates:

The OEB typically sets Ontario electricity prices for low-volume consumers twice each year (May and November) based on an estimate of how much it will cost to supply the province with electricity for the next year. In 2017, the OEB set new lower Regulated Price Plan (RPP) prices established under the *Ontario Fair Hydro Act, 2017*.

On May 9, 2019, the Government of Ontario enacted Bill 87, the *Fixing the Hydro Mess Act, 2019*. The legislation amended the *Ontario Rebate for Electricity Consumers Act, 2016*, and the *Ontario Fair Hydro Plan Act, 2017*.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Basis of presentation (continued):

(e) Rate regulation (continued):

(ii) Electricity rates (continued):

Effective November 1, 2019, the OEB set electricity prices under the RPP based on the estimated cost to supply the province with electricity. The Ministry of Energy, Northern Development and Mines set the amount of the rebate under the *Ontario Rebate for Electricity Consumers Act, 2016* such that the monthly bill for a typical customer increased by the rate of inflation.

In 2020, the OEB also adjusted the Regulated Price Plan (RPP) prices in March and June in response to the Government issued Emergency Orders under the *Emergency Management and Civil Protection Act* to assist Ontarians who were forced to stay home due to the COVID-19 pandemic.

All remaining consumers pay the market price for electricity.

The Corporation is billed for the cost of the electricity that its customers use by the Independent Electricity System Operator and passes this cost on to the customer at cost without a mark-up.

(iii) Retail transmission rates:

These are the costs of delivering electricity from generating stations across the Province to local distribution networks. These charges include the costs to build and maintain the transmission lines, towers and poles and operate provincial transmission systems. Retail transmission rates are passed through to the operators of transmission networks and facilities.

(iv) Wholesale market service rates:

These are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs. The Corporation is billed for the cost of the wholesale electricity system by the Independent Electricity System Operator 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:

All financial assets and all financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(f). The Corporation does not enter into derivative instruments. Hedge accounting has not been used in the preparation of these financial statements.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Significant accounting policies (continued):

(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.

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 Conservation and Demand Management ("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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Significant accounting policies (continued):

(c) Inventory:

Inventory, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an weighted 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, 2014 are measured at deemed cost established on the date of transition to IFRS, 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.

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, 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 Corporation's borrowings. Qualifying assets are considered to be those that take in excess of six 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 Corporation 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 Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

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.

The estimated useful lives are as follows:

	Years
General plant	3 to 50
Distribution plant	10 to 60

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2014 are measured at deemed cost established on the date of transition to IFRS, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2014, 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:

	Years
Computer software	5

(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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than 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.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

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. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a prorated basis, if applicable.

An impairment loss in respect of goodwill is not reversed. For other assets, 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.

For the regulated business, the carrying costs of most of the Corporation's non-financial assets are included in rate base (the aggregate of approved investment in PP&E and intangible assets, excluding construction in progress, less accumulated depreciation and amortization and unamortized capital contributions from customers, plus an allowance for working capital) where they earn an OEB-approved rate of return. Asset carrying values and the related return are recovered through approved rates. As a result, such assets are only tested for impairment in the event that the OEB disallows recovery, in whole or in part, or if such a disallowance is judged to be probable.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Significant accounting policies (continued):

(g) Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills and deposits. Interest is paid on customer deposits. Deposits are also received for planned chargeable work. No interest is paid on these deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation 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 Corporation 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.

(i) Regulatory balances:

The Corporation elected to apply the requirements of IFRS 14, effective December 31, 2015.

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 Corporation.

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 other comprehensive income ("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.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the amounts are returned to the customer at rates approved by the OEB the amounts are recognized as a reduction of revenue.

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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Significant accounting policies (continued):

(j) Leased assets:

At inception of a contract, the Corporation assess whether the contract is or contains a lease. A contract is determined to contain a lease if it provides the Corporation with the right to control the use of an identified asset for a period of time in exchange for consideration. Contracts determined to contain a lease are accounted for as leases. For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Subsequent to initial recognition, the right-of-use asset is recognized at cost less any accumulated depreciation and any accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less or for leases of low value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Finance income and finance costs:

Finance costs comprise interest expense on borrowings, customer deposits and bank charges. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Significant accounting policies (continued):

(l) Post-employment benefits:

The Corporation provides a pension plan for some of its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan that provides pensions for employees of Ontario municipalities, local boards and public utilities. OMERS is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by investment earnings. To the extent that the plan finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

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 Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation 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.

(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 Corporation is 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 Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("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. Payments in lieu of taxes and payments under the Tax Acts are collectively 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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

4. Accounts receivable:

	2020	2019
Customer accounts receivable	\$ 1,628,915	\$ 1,372,911
Other receivables	166,262	244,407
	1,795,177	1,617,318
Less: loss allowance	(6,500)	(6,500)
	\$ 1,788,677	\$ 1,610,818

5. Inventory:

The amount of inventory consumed by the Corporation and recognized as an expense during the year was \$645,417 (2019 – \$772,712). Inventory consumed consists primarily of parts used for repairs in the field.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Property, plant and equipment:

	General Plant	Distribution Plant	Total
Cost or deemed cost			
Balance, January 1, 2020	\$ 4,697,715	\$ 33,774,731	\$ 38,472,446
Additions	229,543	1,686,980	1,916,523
Disposals	(8,103)	-	(8,103)
Balance, December 31, 2020	\$ 4,919,155	\$ 35,461,711	\$ 40,380,866
Balance, January 1, 2019	\$ 4,339,815	\$ 31,772,072	\$ 36,111,887
Additions	381,528	2,029,403	2,410,931
Disposals	(23,628)	(26,744)	(50,372)
Balance, December 31, 2019	\$ 4,697,715	\$ 33,774,731	\$ 38,472,446
Accumulated amortization			
Balance, January 1, 2020	\$ 1,403,136	\$ 8,038,845	\$ 9,441,981
Depreciation	237,653	1,037,035	1,274,688
Disposals/retirements	(6,488)	-	(6,488)
Balance, December 31, 2020	\$ 1,634,301	\$ 9,075,880	\$ 10,710,181
Balance, January 1, 2019	\$ 1,208,720	\$ 7,053,550	\$ 8,262,270
Depreciation	218,044	988,351	1,206,395
Disposals/retirements	(23,628)	(3,056)	(26,684)
Balance, December 31, 2019	\$ 1,403,136	\$ 8,038,845	\$ 9,441,981
Carrying amounts			
December 31, 2020	\$ 3,284,854	\$ 26,385,831	\$ 29,670,685
December 31, 2019	\$ 3,294,579	\$ 25,735,886	\$ 29,030,465

At December 31, 2020, property plant and equipment with a carrying amount of \$29,670,685 (2019 – \$29,030,465) are subject to a general security agreement.

There were no borrowing costs capitalized as part of the cost of property, plant and equipment in 2020 and 2019. During the year, \$94,041 (2019 – \$86,344) of depreciation was capitalized during the year. As at December 31, 2020, \$127,603 (2019 – \$80,727) has been recognized as construction-in-progress included in other capital assets and not yet placed into service. During the year, \$17,118 (2019 - \$nil) was disposed of from construction-in-progress and recognized in profit or loss.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Intangible assets:

		Computer software
Cost or deemed cost		
Balance, January 1, 2020	\$	834,907
Additions		48,021
Disposals		-
Balance, December 31, 2020	\$	882,928
Balance, January 1, 2019	\$	857,687
Additions		-
Disposals		(22,780)
Balance, December 31, 2019	\$	834,907
Accumulated amortization		
Balance, January 1, 2020	\$	791,097
Amortization		25,282
Disposals		-
Balance, December 31, 2020	\$	816,379
Balance, January 1, 2019	\$	780,514
Amortization		33,363
Disposals		(22,780)
Balance, December 31, 2019	\$	791,097
Carrying amounts		
December 31, 2020	\$	66,549
December 31, 2019	\$	43,810

8. Deferred revenue:

	2020	2019
Balance, beginning of year	\$ 4,679,573	\$ 4,610,923
Additions	461,764	214,248
Amortization	(154,859)	(145,598)
Balance, end of year	\$ 4,986,478	\$ 4,679,573

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Deferred revenue (continued):

Deferred revenue relates to capital contributions received from customers and others. The amount of deferred revenue received is \$4,986,478 (2019 – \$4,679,573). Deferred revenue is recognized as revenue on a straight-line basis over the life of the related asset for which the contribution was received.

9. Income tax expense:

Current tax expense

	2020	2019
Current year	\$ -	\$ -
Adjustment for prior years	-	1,425
	\$ -	\$ 1,425

Deferred tax expense

	2020	2019
Origination and reversal of temporary differences	\$ 216,299	\$ 293,898

Reconciliation of effective tax rate

	2020	2019
Income before taxes	\$ 603,352	\$ 1,206,459
Canada and Ontario statutory Income tax rates	26.5%	26.5%
Expected tax provision on income at statutory rates	159,888	319,712
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses	319	714
Adjustment for prior years	287	1,333
Regulatory movements	55,805	(26,436)
Income tax expense	\$ 216,299	\$ 295,323

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

9. Income tax expense (continued):

Components of the Corporation's deferred tax balances:

	2020	2019
Deferred tax assets:		
Non-capital losses	\$ 168,252	\$ 126,610
Deferred revenue	1,321,417	1,240,087
Other tax reserves	84,860	105,171
	<u>\$ 1,574,529</u>	<u>\$ 1,471,868</u>
	2020	2019
Deferred tax liabilities:		
Property, plant, equipment and intangibles	\$(2,164,837)	\$ (1,893,860)
Regulatory assets	(330,783)	(282,800)
	<u>\$(2,495,620)</u>	<u>\$ (2,176,660)</u>

10. Regulatory balances:

The Corporation has determined that certain debit and credit balances arising from rate-regulated activities qualify for regulatory accounting treatment in accordance with IFRS 14 and the OEB's prescribed accounting procedures for electricity distributors. The regulatory balances are comprised of regulatory debit variances of \$2,587,060 (2019 – \$1,836,060) and regulatory credit balances for \$722,263 (2019 – \$346,901) for a net regulatory asset of \$1,864,797 (2019 – \$1,489,159).

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points, with the exception of the tax balances. In 2020, the rate was 2.18% for the period January to June and 0.57% from July to December.

The regulatory balances for the Corporation consist of the following:

(a) Settlement variances:

This account includes the variances between amounts charged by the Corporation, based on regulated rates, and the corresponding cost of electricity and non-competitive electricity service costs incurred by the Corporation such as commodity charges, retail transmission rates and wholesale market services charges. The Corporation has deferred the variances and related recoveries in accordance with the criteria set out in the accounting principles prescribed by the OEB. This account also includes variances between the amounts approved for disposition by the OEB and the amounts collected or paid through OEB approved rate riders.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

10. Regulatory balances (continued):

(a) Settlement variances (continued):

Settlement variances are reviewed annually as part of a COS or IRM application submitted to the OEB and a request for disposition is made if the aggregate of the settlement accounts exceeds the OEB's prescribed materiality level.

In the Corporation's 2020 IRM application, submitted in August 2019, Grimsby Power obtained OEB approval for this disposition of the 2017 audited balances as they were above the OEB's prescribed materiality level. The OEB authorized the Corporation to dispose of a net debit balance of \$514,512 through rate riders that take effect January 1, 2020 to December 31, 2020.

(b) Income taxes:

The customer asset/liability for deferred taxes variance account relates to the expected regulatory asset or liability relating to deferred taxes arising from timing differences in the determination of income taxes as well as CCA acceleration.

(c) Lost revenue adjustment mechanism:

This deferral account includes the lost revenue adjustment variances in relation to the conservation and demand management ("CDM") programs or activities undertaken by the Corporation in accordance with OEB prescribed requirements (e.g. licence, codes and guidelines).

(d) Other:

This deferral account includes the allowable costs associated with cost assessments, retail charges and other miscellaneous regulatory accounts.

Reconciliation of the carrying amount for each class of regulatory balances:

Regulatory deferral account debit balances					
	January 1, 2020	Additions/ transfers	Recovery/ reversal	December 31, 2020	Remaining years
Settlement variances	\$ 1,112,430	\$ 953,877	\$ (501,612)	\$ 1,564,695	1
Lost revenue adjustment mechanism	70,688	60,321	(223)	130,786	1
Other regulatory accounts	78,803	27,552	(13,484)	92,871	1
Income tax	574,139	224,569	-	798,708	Note 1
	\$ 1,836,060	\$ 1,266,319	\$ (515,319)	\$ 2,587,060	

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

10. Regulatory balances (continued):

(d) Other (continued):

Regulatory deferral account debit balances					
	January 1, 2019	Additions/ transfers	Recovery/ reversal	December 31, 2019	Remaining years
Settlement variances	\$ 1,193,678	\$ (81,248)	\$ -	\$ 1,112,430	2
Lost revenue adjustment mechanism	65,760	4,928	-	70,688	2
Other regulatory accounts	88,685	(9,882)	-	78,803	2
Income tax	108,887	465,252	-	574,139	Note 1
	\$ 1,457,010	\$ 379,050	\$ -	\$ 1,836,060	

Regulatory deferral account credit balances					
	January 1, 2020	Additions/ transfers	Recovery/ reversal	December 31, 2020	Remaining years
Settlement variances	\$ 194,754	\$ 315,852	\$ -	\$ 510,606	1
Income tax	152,147	59,510	-	211,657	Note 1
	\$ 346,901	\$ 375,362	\$ -	\$ 722,263	

Regulatory deferral account credit balances					
	January 1, 2019	Additions/ transfers	Recovery/ reversal	December 31, 2019	Remaining years
Settlement variances	\$ 181,201	\$ 13,553	\$ -	\$ 194,754	2
Income tax	-	152,147	-	152,147	Note 1
	\$ 181,201	\$ 165,700	\$ -	\$ 346,901	

Note 1 – these balances will be recovered over the life of the related capital assets.

The “Additions/transfers” column consists of new additions to regulatory balances (for both debits and credits). The “Recovery/reversal” column consists of amounts collected or paid through rate riders or transactions reversing an existing regulatory balance to recover. Recoveries and reversals occur as a result of the approval of an application. There were no reversals of regulatory balances for the year ended December 31, 2020.

11. Accounts payable and accrued liabilities:

	2020	2019
Accounts payable – energy purchases	\$ 1,975,041	\$ 2,341,382
Payroll payable	167,828	66,843
Interest payable	131,986	132,347
Trade payables	691,675	1,275,900
	\$ 2,966,530	\$ 3,816,472

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

12. Long-term debt:

Long term liabilities comprise promissory notes and term loans.

	2020	2019
Promissory note payable to the Town of Grimsby bearing interest at a rate of 4.54% per annum due February, 2022	\$ 5,782,746	\$ 5,782,746
TD term loan (for Smart Meters) with blended monthly instalments of \$10,739, at a fixed rate of 2.68%, due May 2026	639,918	750,226
TD term loan (economic evaluation and term loan) with interest only instalments at a fixed rate of 2.58%, due February 2023	3,270,000	3,270,000
TD term loan (for bucket truck, and breakage fee) with blended monthly instalments of \$40,539 at a fixed rate of 2.68%, due February 2027	2,763,200	3,170,505
TD term loan (for bucket truck and SCADA) with blended monthly instalments of \$4,366 at a fixed rate of 2.68%, due April 2033	549,806	586,609
	13,005,670	13,560,086
Less: current portion of long-term debt	(568,739)	(555,203)
	\$ 12,436,931	\$ 13,004,883

All TD loans are secured by a General Security Agreement over the assets of the Corporation, as well as an assignment of fire insurance on inventory and equipment, assignment of liability insurance, and Postponement Agreement executed by the bank, the Corporation and the Town of Grimsby.

The Corporation holds a line of credit bearing interest at prime, which at December 31, 2020 was 2.45% (2019 - 3.95%). As at December 31, 2020, \$2,090,000 (2019 – \$530,000) was owing.

Based upon current repayment terms, the estimated annual principal repayments are as follows:

2021	\$ 568,739
2022	6,366,916
2023	3,870,019
2024	616,173
2025	633,017
2026 and thereafter	950,806
	\$ 13,005,670

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

13. Share capital:

	2020	2019
Authorized:		
Unlimited number of common shares		
Issued:		
1,001 common shares	\$ 5,782,747	\$ 5,782,747

Dividends:

The holders of the common shares are entitled to receive dividends from time to time.

For the year ended December 31, 2020, the Board of Directors of the Corporation declared and paid dividends to shareholders in the amount of \$nil (\$2019 - \$ nil) per share totaling \$nil (2019 - \$ nil) on the outstanding preferred shares.

14. Revenue from contracts with customers and other sources:

	2020	2019
Revenue from contracts with customers:		
Energy sales	\$ 35,890,085	\$ 29,530,671
Distribution revenue	5,742,554	5,610,594
Ancillary services	93,099	110,555
Other regulatory service charges	34,431	53,965
Rental	82,450	81,556
	41,842,619	35,387,341
Revenue from other sources:		
Amortization of deferred revenue	154,859	145,598
Other	(19,313)	22,220
	\$ 41,978,165	\$ 35,555,159

The following table disaggregates revenues from contracts with customers by type of customer for energy sales and distribution revenue:

	2020	2019
Revenue from contracts with customers:		
Residential	\$ 20,075,143	\$ 16,562,051
Commercial	3,001,348	2,504,731
Large Users	18,146,692	15,578,106
Other	409,456	496,377
	\$ 41,632,639	\$ 35,141,265

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

15. Finance costs:

	2020	2019
Interest expense on long-term debt	\$ 472,531	\$ 467,775
Interest expense on customer deposits	1,852	6,169
Other	5,711	5,030
	<u>\$ 480,094</u>	<u>\$ 478,974</u>

16. Commitments and contingencies:

(a) General:

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

(b) General Liability Insurance:

The Corporation 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, 2020, no assessments have been made.

(c) Letters of credit:

The Corporation has an irrevocable commercial letter of credit for contracted services with a third party service provider, of which \$421,504 (2019 - \$421,504) has posted with the third party service provider.

The Corporation also has a facility for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which \$964,845 has posted with the IESO (2019 - \$964,845).

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

17. Post-employment benefits:

OMERS pension plan

The Corporation 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. The latest actuarial valuation as at December 31, 2020 reported a funding deficit of \$3.2 billion (2019 - \$3.4 billion). OMERS expects the contributions and policy changes made in response to the deficit to return the plan to a fully funded position by 2025. Contributions were made in the 2020 calendar year at rates ranging from 9.0% to 14.6% depending on the level of earnings. In 2020, the Corporation made employer contributions of \$126,556 to OMERS (2019 – \$140,003) of which \$18,298 (2019 – \$20,972) has been capitalized as part of property, plant and equipment and \$108,258 (2019 – \$119,030) has been recognized in profit or loss. The Corporation estimates that a contribution of \$156,064 to OMERS will be made during the next fiscal year.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

18. Related party transactions:

(a) Parent and ultimate controlling party:

The sole shareholder of the Corporation is Niagara Power Incorporated ("NPI") which is owned by The Corporation of the Town of Grimsby and another related party. The Town of Grimsby produces consolidated financial statements that are available for public use.

The following summarizes the Corporation's related party transactions recorded at the exchange amount and balances with the Town of Grimsby and NPI for the year ended December 31:

	2020	2019
Revenue:		
Service revenue	\$ 626,454	\$ 691,231
Other	3,840	6,342
Expenses:		
Interest charges	262,898	262,537
Other expenses	58,773	58,730

These transactions have taken place in the ordinary course of business and are recorded at a fair market exchange amount. The Corporation also delivers electricity to the Town of Grimsby throughout the year for the electricity needs of the Town and its related organizations. Electricity deliver charges are at prices and terms approved by the OEB.

(b) Outstanding balances with related parties:

	2020	2019
Amounts due to related parties:		
Long-term debt	\$ 5,782,746	\$ 5,782,746
Due to related parties	26,984	11,165
Amounts due from related parties:		
Due from related parties	6,275	35

Amounts due to / from related parties are non-interest bearing with no fixed terms of repayment. Long-term debt bears interest at 4.54% per annum (see note 12).

In 2009, the Corporation migrated its billing system to a SAP platform. The Corporation has a contractual commitment to pay \$6,396 per month for system administration and non-system related support to a related party.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

18. Related party transactions:

(c) Transaction with other related parties:

In the ordinary course of business, the corporation incurred the following transactions with other related parties under common control:

	2020	2019
Expenses:		
IT services	\$ 88,296	\$ 91,902
Other	7,885	1,056

(d) Key management personnel:

Key management personnel are comprised of the Corporation's senior executive officers and members of the Board of Directors. The compensation costs associated with key management personnel are as follows:

	2020	2019
Directors' fees	\$ 36,367	\$ 18,188
Salaries, bonuses and other short-term benefits	416,378	398,312
	\$ 452,745	\$ 416,500

19. Financial instruments and financial risk management:

Fair value disclosure

The carrying values of cash and cash equivalents, bank indebtedness, line of credit 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.

The TD term loans of \$7,222,924 has a fair value estimated at \$7,972,812 using a discount rate of 2.45%. This discount rate is determined using indicative quoted rates for instruments with approximately the same terms and credit risk.

The fair value of the notes payable to The Corporation of the Town of Grimsby is estimated at \$6,365,000 using a discount rate of 2.38%. This discount rate is determined using indicative quoted rates for instruments with approximately the same terms and credit risk.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

19. Financial instruments and financial risk management:

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, market risk and liquidity risk as well as related mitigation strategies are discussed below. However, the risks described below are not exhaustive of all the risks nor will the mitigation strategies eliminate the Corporation's exposure to all risks listed.

(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 Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the Town of Grimsby. No single customer accounts for a balance in excess of 10% of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for estimated credit losses 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, 2020 is \$6,500 (2019 – \$6,500). An loss allowance of \$22,298 (2019 recovery of – (\$85,720)) was recognized during the year in profit or loss.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. The Corporation's credit risk associated with accounts receivable is primarily related to payments from its electricity distribution customers. As a result of the COVID-19 pandemic, certain of the Corporation's customers have experienced loss of employment, business shut-downs and other disruptions. The extension of the OEB's winter disconnection ban negatively impacted the Corporation's ability to exercise the full extent of its collection tools to manage the credit risk. In response to the increased collection risk, the Corporation has increased its loss allowance for expected credit losses to adjust for the higher level of expected customer defaults on accounts receivable. The Corporation has estimated the expected credit losses using its historical loss rates and recent trends for customer collections along with current and forecasted economic conditions and data. There is a greater degree of estimation uncertainty over this loss estimate than in 2019. To support residential and small business customers struggling to pay their energy bills, the Government of Ontario provided funding for the COVID-19 Energy Assistance Program ("CEAP"). At December 31, 2020, approximately \$28,308 (2019 – \$14,587) is considered 60 days past due. The Corporation has over 11,000 (2019 – 11,000) 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. At December 31, 2020 the Corporation holds security deposits in the amount of \$1,268,533 (2019 – \$1,279,682).

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

19. Financial instruments and financial 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 Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation'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.

(c) Liquidity risk:

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a \$3,250,000 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, 2020, \$2,090,000 (2019 – \$530,000) had been drawn under the Corporation's credit facility.

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 Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, to comply with covenants related to its credit facilities, to prudently manage 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 Corporation's definition of capital includes shareholder's equity, line of credit and long-term debt. As at December 31, 2020, shareholder's equity amounts to \$11,982,778 (2019 – \$11,220,087) and long-term debt amounts to \$15,095,670 (2019 – \$14,090,086).

20. Comparative information:

Certain comparative information has been reclassified to conform to the presentation adopted in the current year. There is no impact to profit or loss or equity as a result of reclassification.



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
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 125 762,691 A

Add:

Provision for income taxes – current	101	216,299
Amortization of tangible assets	104	1,205,929
Loss on disposal of assets	111	18,733
Charitable donations and gifts from Schedule 2	112	3,000
Non-deductible meals and entertainment expenses	121	1,204
Other reserves on lines 270 and 275 from Schedule 13	125	1,294,287
Reserves from financial statements – balance at the end of the year	126	1,289,839
Subtotal of additions		4,029,291

Other additions:

Capital items expensed	206	8
------------------------	-----	---

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 Opening Regulatory Asset balance	1,067,168		
2 Capital contributions received	461,764		
Total of column 2	1,528,932	296	1,528,932
Subtotal of other additions		199	1,528,940
Total additions		500	5,558,231

Amount A plus line 500 6,320,922 B

Deduct:

Capital cost allowance from Schedule 8	403	1,752,171
Other reserves on line 280 from Schedule 13	413	1,283,339
Reserves from financial statements – balance at the beginning of the year	414	1,300,787
Contributions to deferred income plans from Schedule 15	417	18,298
Subtotal of deductions		4,354,595

Other deductions:

Miscellaneous other deductions:

1 Description	2 Amount		
705	395		
1 Closing Reg Asset balance (no tax)	1,248,237		
2 18(9.1) deduction (4/9)	76,697		
3 Amortization of deferred capital contribution	154,859		
4 Tax recovery on net movements	165,059		
5 Election 13(7.4) - Capital Contributions Received	461,764		
6 Loss on disposal incl. in bx111 not prev. capitalized	17,117		
Total of column 2	2,123,733	396	2,123,733

Subtotal of other deductions	499	2,123,733	▶	2,123,733	E
Total deductions	510	6,478,328	▶	6,478,328	

Net income (loss) for income tax purposes (amount B minus line 510) **-157,406** C
Enter amount C on line 300 of the T2 return.

T2 SCH 1 E (19)

Canada

CLIENT COPY

Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount
Disposal per cash flow (incl. loss on items never capitalized - see D-02.1)		18,733 00
Actual loss on disposal	-	1,616 00
	+	
	Total	17,117 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula $1+2*3$ will not result in the same thing as the formula $1+3*2$.



Canada Revenue
Agency

Agence du revenu
du Canada

Schedule 2

Code 2001

Protected B
when completed

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 five years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- 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)
District School Board of Niagara - 19-0375	1,500
Niagara Catholic District School Board - 19088	1,500
	Subtotal 3,000
Add: Total donations of less than \$100 each	
Total donations in current tax year	
	3,000

Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year	1A		
Charitable donations expired after five tax years* 239			
Charitable donations at the beginning of the current tax year (amount 1A 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 210	3,000	3,000	3,000
(include this amount on line 112 of Schedule 1 Net Income (Loss) for Income Tax Purposes)			
Subtotal (line 250 plus line 210) 1B	3,000	3,000	3,000
Subtotal (line 240 plus amount 1B) 1C	3,000	3,000	3,000
Adjustment for an acquisition of control 255			
Total charitable donations available (amount 1C minus line 255) 1D	3,000	3,000	3,000
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) 260			
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount 1D minus line 260) 280	3,000	3,000	3,000
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, 2024) 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
1 st prior year	2019-12-31			
2 nd prior year	2018-12-31			
3 rd prior year	2017-12-31			
4 th prior year	2016-12-31			
5 th prior year	2015-12-31			
6 th prior year*	2015-09-30			
7 th prior year	2014-12-31			
8 th prior year	2013-12-31			
9 th prior year	2012-12-31			
10 th prior year	2011-12-31			
11 th prior year	2010-12-31			
12 th prior year	2009-12-31			
13 th prior year	2008-12-31			
14 th prior year	2007-12-31			
15 th prior year	2006-12-31			
16 th prior year	2005-12-31			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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 ^{Footnote 1} multiplied by 75 %		2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 ^{Footnote 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 ^{Footnote 2}	2B	
Capital cost ^{Footnote 2}	2C	
Amount 2B or 2C, whichever is less	235	
Amount on line 230 or 235, whichever is less		2D
Subtotal (add lines 225, 227, and amount 2D)		2E
Amount 2E multiplied by 25 %		2F
Subtotal (amount 2A plus amount 2F)		2G
Maximum allowable deduction for charitable donations (enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least)		2H

Footnote 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.

Footnote 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	3A		
Gifts of certified cultural property expired after five tax years*	439		
Gifts of certified cultural property at the beginning of the current tax year (amount 3A 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)	3B		
Subtotal (line 440 plus amount 3B)	3C		
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)	3D		
Gifts of certified cultural property closing balance (amount 3C minus amount 3D)	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
1 st prior year	2019-12-31			
2 nd prior year	2018-12-31			
3 rd prior year	2017-12-31			
4 th prior year	2016-12-31			
5 th prior year	2015-12-31			
6 th prior year*	2015-09-30			
7 th prior year	2014-12-31			
8 th prior year	2013-12-31			
9 th prior year	2012-12-31			
10 th prior year	2011-12-31			
11 th prior year	2010-12-31			
12 th prior year	2009-12-31			
13 th prior year	2008-12-31			
14 th prior year	2007-12-31			
15 th prior year	2006-12-31			
16 th prior year	2005-12-31			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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	4A		
Gifts of certified ecologically sensitive land expired after five 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 4A 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)	4B		
Subtotal (line 540 plus amount 4B)	4C		
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)	4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C minus amount 4D)	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		Federal	Québec	Alberta
Year of origin:				
1 st prior year	2019-12-31			
2 nd prior year	2018-12-31			
3 rd prior year	2017-12-31			
4 th prior year	2016-12-31			
5 th prior year	2015-12-31			
6 th prior year*	2015-09-30			
7 th prior year	2014-12-31			
8 th prior year	2013-12-31			
9 th prior year	2012-12-31			
10 th prior year	2011-12-31			
11 th prior year*	2010-12-31			
12 th prior year	2009-12-31			
13 th prior year	2008-12-31			
14 th prior year	2007-12-31			
15 th prior year	2006-12-31			
16 th prior year	2005-12-31			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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	5A		
Additional deduction for gifts of medicine expired after five tax years* . . .	639		
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A 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)	5B		
Amount 5B multiplied by 50 %	5C		
Eligible amount of gifts	600		
<div style="display: flex; justify-content: space-between;"> <div> <p>Federal</p> <p>a _____ x $\left(\frac{b}{c} \right)$ =</p> <p>Québec</p> <p>a _____ x $\left(\frac{b}{c} \right)$ =</p> <p>Alberta</p> <p>a _____ x $\left(\frac{b}{c} \right)$ =</p> </div> <div> <p>Additional deduction for gifts of medicine made before March 22, 2017</p> <p>Additional deduction for gifts of medicine made before March 22, 2017</p> <p>Additional deduction for gifts of medicine made before March 22, 2017</p> </div> <div> <p>610</p> </div> </div>			
where:			
a is the lesser of line 601 and amount 5C			
b is the eligible amount of gifts (line 600)			
c is the proceeds of disposition (line 602)			
Subtotal (line 650 plus line 610)	5D		
Subtotal (line 640 plus amount 5D)	5E		
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)	5F		
Additional deduction for gifts of medicine closing balance (amount 5E minus amount 5F)	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
1 st prior year	2019-12-31			
2 nd prior year	2018-12-31			
3 rd prior year	2017-12-31			
4 th prior year	2016-12-31			
5 th prior year	2015-12-31			
6 th prior year*	2015-09-30			
7 th prior year	2014-12-31			
8 th prior year	2013-12-31			
9 th prior year	2012-12-31			
10 th prior year	2011-12-31			
11 th prior year	2010-12-31			
12 th prior year	2009-12-31			
13 th prior year	2008-12-31			
14 th prior year	2007-12-31			
15 th prior year	2006-12-31			
16 th prior year	2005-12-31			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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
1 st prior year	2019-12-31	
2 nd prior year	2018-12-31	
3 rd prior year	2017-12-31	
4 th prior year	2016-12-31	
5 th prior year	2015-12-31	
6 th prior year*	2015-09-30	
7 th prior year	2014-12-31	
8 th prior year	2013-12-31	
9 th prior year	2012-12-31	
10 th prior year	2011-12-31	
11 th prior year	2010-12-31	
12 th prior year	2009-12-31	
13 th prior year	2008-12-31	
14 th prior year	2007-12-31	
15 th prior year	2006-12-31	
16 th prior year	2005-12-31	
17 th prior year	2004-12-31	
18 th prior year	2003-12-31	
19 th prior year	2002-12-31	
20 th prior year	2001-12-31	
21 st prior year*	2000-12-31	
Total		

* These gifts expired in the current year.



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 -157,406 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") -157,406 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) -157,406 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") -157,406 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 590,835 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) 102 590,835 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) 110 157,406 h

Subtotal (amount g plus amount h) 157,406 I

Subtotal (amount H plus amount I) 748,241 J

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

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

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

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

- Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **150** i
Section 80 – Adjustments for forgiven amounts **140** j
Subsection 111(10) – Adjustments for fuel tax rebate j.1
Non-capital losses of previous tax years applied in the current tax year **130** k
Enter amount k on line 331 of the T2 Return.

Current and previous year non-capital losses applied against current-year
taxable dividends subject to Part IV tax (note 3) **135** l

Subtotal (total of amounts i to l) **K**

Non-capital losses before any request for a carryback (amount J minus amount K) **748,241** 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** **748,241** N

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

- Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

Deduct:

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

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

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

Unused non-capital losses that expired in the tax year (note 4) e

Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the
previous tax year (note 5) f

Enter amount e or f, whichever is less **215** g

ABILs expired as non-capital losses: line 215 multiplied by 2.000000 **220** E

Subtotal (total of amounts C to E) **F**

Note

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

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

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

Part 2 – Capital losses (continued)

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

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

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

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

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year a

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

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

Add:

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

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

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

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

Deduct:

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

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

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

Enter amount g on line 334 of the T2 Return.

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

Subtotal (total of amounts e to h) D

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

Deduct – Request to carry back farm loss to:

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

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

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

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

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

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

Subtotal (total of amounts i to n) F

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

Note 8: A farm loss expires as follows:

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

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

- Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Minus the deductible farm loss:

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

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

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

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

Continuity of restricted farm losses and request for a carryback

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

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

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

Add:

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

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

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

Subtotal (amount f plus amount g) E

Subtotal (amount D plus amount E) F

Deduct:

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

Enter amount h on line 333 of the T2 return.

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

Other adjustments **450** j

Subtotal (total of amounts h to j) G

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

Deduct – Request to carry back restricted farm loss to:

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

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

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

Subtotal (total of amounts k to m) I

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

Note

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

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

Note 11: A restricted farm loss expires as follows:

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

- Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

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

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

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

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

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

Deduct:

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

Enter amount c on line 655 of Schedule 6.

Other adjustments **550** d

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

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

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

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

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

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

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

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

1.

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

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

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

1.

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

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

1.

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

Note

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

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

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

190

Yes

☐

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	157,406			N/A		157,406
1st preceding taxation year 2019-12-31		N/A		N/A			
2nd preceding taxation year 2018-12-31		N/A		N/A			
3rd preceding taxation year 2017-12-31	208,799	N/A		N/A			208,799
4th preceding taxation year 2016-12-31	382,036	N/A		N/A			382,036
5th preceding taxation year 2015-12-31		N/A		N/A			
6th preceding taxation year 2015-09-30		N/A		N/A			
7th preceding taxation year 2014-12-31		N/A		N/A			
8th preceding taxation year 2013-12-31		N/A		N/A			
9th preceding taxation year 2012-12-31		N/A		N/A			
10th preceding taxation year 2011-12-31		N/A		N/A			
11th preceding taxation year 2010-12-31		N/A		N/A			
12th preceding taxation year 2009-12-31		N/A		N/A			
13th preceding taxation year 2008-12-31		N/A		N/A			
14th preceding taxation year 2007-12-31		N/A		N/A			
15th preceding taxation year 2006-12-31		N/A		N/A			
16th preceding taxation year 2005-12-31		N/A		N/A			
17th preceding taxation year 2004-12-31		N/A		N/A			
18th preceding taxation year 2003-12-31		N/A		N/A			
19th preceding taxation year 2002-12-31		N/A		N/A			
20th preceding taxation year 2001-12-31		N/A		N/A			*
Total	590,835	157,406					748,241

* 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
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 attributable to jurisdiction	E (D x taxable income) / H
Newfoundland and Labrador	003 Yes <input type="checkbox"/>	103		143	
Newfoundland and Labrador Offshore	004 Yes <input type="checkbox"/>	104		144	
Prince Edward Island	005 Yes <input type="checkbox"/>	105		145	
Nova Scotia	007 Yes <input type="checkbox"/>	107		147	
Nova Scotia Offshore	008 Yes <input type="checkbox"/>	108		148	
New Brunswick	009 Yes <input type="checkbox"/>	109		149	
Quebec	011 Yes <input type="checkbox"/>	111		151	
Ontario	013 Yes <input type="checkbox"/>	113		153	
Manitoba	015 Yes <input type="checkbox"/>	115		155	
Saskatchewan	017 Yes <input type="checkbox"/>	117		157	
Alberta	019 Yes <input type="checkbox"/>	119		159	
British Columbia	021 Yes <input type="checkbox"/>	121		161	
Yukon	023 Yes <input type="checkbox"/>	123		163	
Northwest Territories	025 Yes <input type="checkbox"/>	125		165	
Nunavut	026 Yes <input type="checkbox"/>	126		166	
Outside Canada	027 Yes <input type="checkbox"/>	127		167	
Total		129	G	169	H

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

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

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

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	
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 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 Regional Opportunities Investment Tax Credit (from Schedule 570)	472	
Ontario refundable tax credits (total of lines 450 to 472)		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	

- 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

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

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

Capital Cost Allowance (CCA)

 Grimsby Power Inc.
 Filed: July 30, 2021
 EB-2021-0027

Corporation's name Grimsby Power Incorporated	Business number 86487 4839 RC0002	Tax year-end Year Month Day 2020-12-31
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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 ☒

Exhibit 4, Tab 9
Attachment 1
Page 6 of 175

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.	Buildings and Infrastructure	10,501,863						0	
2.	Building additions	9,718						0	
3.	Building additions		15,871	15,871				0	
4.		277,678						0	
5.	Parking Lot		2,020	2,020				0	
6.	Plant Assets	9,885,598	1,112,878	1,112,878				0	
7.	NWTC - FENCE	13,017						0	
8.	Furniture (cap. from reg)		13,571	13,571				0	
9.	Office and Equipment	397,460	19,464	19,464				0	
10.	Stores Equipment		123,960	123,960				0	
11.	Vehicles	453,057						0	
12.		12						0	
13.	Computer Hardware	13,667	68,228	68,228				0	
14.	Computers (cap. from reg)		15,938	15,938				0	
15.	Software		48,021	48,021				0	
Totals		21,552,070	1,419,951	1,419,951					

1 Class number * See note 1	9 UCC (column 2 plus column 3 plus minus column 5 minus column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIP (column 8 plus column 6 plus column 4 plus column 7) (if negative, enter "0")	11 Net capital cost additions of AIP acquired during the year (column 10) (if negative, enter "0")	12 UCC adjustment for AIP acquired during the year (column 11) multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIP 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 18)
200					224	212	213	215	217	220
1. 1. Buildin	10,501,863					4	0	0	420,075	10,081,788
2. 1b Buildin	9,718					6	0	0	583	9,335
3. 1b Buildin	15,871		15,871	7,936		6	0	0	1,428	14,443
4. 2	277,678					6	0	0	16,661	261,017
5. 17 Parking	2,020		2,020	1,010		8	0	0	242	1,778
6. 47 Plant A	10,998,476		1,112,878	556,439		8	0	0	924,393	10,074,083
7. 6 NWTC	13,017					10	0	0	1,302	11,715
8. 8 Furnitu	13,571		13,571	6,786		20	0	0	4,071	9,500
9. 8 Office	416,924		19,464	9,732		20	0	0	85,331	331,593
10. 8 Stores	123,960		123,960	61,980		20	0	0	37,188	86,772
11. 10 Vehide	453,057					30	0	0	135,917	317,140
12. 45	12					45	0	0	5	7
13. 50 Compu	81,895		68,228	34,114		55	0	0	63,805	18,090
14. 50 Compu	15,938		15,938	7,969		55	0	0	13,149	2,789
15. 12 Softwa	48,021		48,021			100	0	0	48,021	
Totals	22,972,021		1,419,951	685,966					1,752,171	21,219,850

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.

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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%). 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.

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.

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.

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.

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.

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). 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.

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.

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.

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.

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.

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.

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)(y.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)(y.2) 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).

T2 SCH 8 (19)



SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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.	Niagara Power Incorporated		86880 5920 RC0002	1					
2.	Town of Grimsby		10698 4636 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada



CONTINUITY OF RESERVES

Name of corporation Grimsby Power Incorporated	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
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- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

Description of property 001	Balance at the beginning of the year \$ 002	Transfer on an amalgamation or the wind-up of a subsidiary \$ 003	Add \$	Deduct \$	Balance at the end of the year \$ 004
1					
Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

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 \$
	110	115			120
Reserve for doubtful debts <input type="checkbox"/>	130	135			140
Reserve for undelivered goods and services not rendered <input checked="" type="checkbox"/>	1,294,287		1,283,339	1,294,287	1,283,339
	150	155			160
Reserve for prepaid rent <input type="checkbox"/>	190	195			200
Reserve for refundable containers <input type="checkbox"/>	210	215			220
Reserve for unpaid amounts <input type="checkbox"/>	230	235			240
Other tax reserves <input type="checkbox"/>	270	275			280
Totals	1,294,287		1,283,339	1,294,287	1,283,339

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

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 General Allowance for Doubtful	6,500		6,500	6,500	6,500
Reserves from Part 2 of Schedule 13	1,294,287		1,283,339	1,294,287	1,283,339
Totals	1,300,787		1,289,839	1,300,787	1,289,839

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.



Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

Type of plan (see note 1)	Amount of contribution \$ (see note 2)	Registration number (RPP, RSUBP, PRPP, and DPSP only)	Name of EPSP trust	Address of EPSP trust	T4PS slip(s) (see note 3)
100	200	300	400	500	600
1	126,556	238091			

Note 1

Enter the applicable code number:

- 1 – RPP
- 2 – RSUBP
- 3 – DPSP
- 4 – EPSP
- 5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans. To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule 126,556 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements 108,258 B

Deductible amount for contributions to deferred income plans

(amount A minus amount B) (if negative, enter "0") 18,298 C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer
(EPSP only)



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:

- Associated for purposes of allocating the business limit (unless association code 5 applies)
- 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
- Non-CCPC that is a **third corporation**
- Associated non-CCPC
- 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 2020
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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 %	6 Business limit allocated* \$	400
1	Grimsby Power Incorporated	86487 4839 RC0002	1	500,000	100.0000	500,000	
2	Niagara Power Incorporated	86880 5920 RC0002	1	500,000			
3	Town of Grimsby	10698 4636 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 $0.225\% \times (C - \$10,000,000)$. 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.

T2 SCH 23 E (19)

Canada

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Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	2,502,120
Capital stock (or members' contributions if incorporated without share capital)	103	5,782,747
Retained earnings	104	6,129,310
Contributed surplus	105	70,721
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	16,484,650
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112	
Subtotal (add lines 101 to 112)		30,969,548
		30,969,548 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1) 30,969,548 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year 121 1,574,529

Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year 122

To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year. 123

Deferred unrealized foreign exchange losses at the end of the year 124

Subtotal (add lines 121 to 124) 1,574,529 1,574,529 B

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 29,395,019

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation 401

A loan or advance to another corporation (other than a financial institution) 402 200,778

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) 403

Long-term debt of a financial institution 404

A dividend payable on a share of the capital stock of another corporation 405

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) 406

An interest in a partnership (see note 2 below) 407

Investment allowance for the year (add lines 401 to 407) 490 200,778

Notes:

- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
- Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190) 29,395,019 C

Deduct: Investment allowance for the year (line 490) 200,778 D

Taxable capital for the year (amount C minus amount D) (if negative, enter "0") 500 29,194,241

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Long term debt		568,739 00
Long term debt	+	12,436,931 00
Bank indebtedness	+	120,447 00
Customer deposits	+	82,176 00
Developers' deposits	+	1,186,357 00
Line of credit	+	2,090,000 00
	+	
	+	
	Total	16,484,650 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula $1+2*3$ will not result in the same thing as the formula $1+3*2$.

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in calculating income for th

Description	Operator (Note)	Amount
Sch 13s		6,500 00
Deferred tax liabilities	+	2,495,620 00
	+	
	Total	2,502,120 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula 1+2*3 will not result in the same thing as the formula 1+3*2.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial in

Description	Operator (Note)	Amount
Prepaid Expenses		200,778 00
	+	
	Total	200,778 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula $1+2*3$ will not result in the same thing as the formula $1+3*2$.



Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Niagara Power Incorporated	868805920RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
 - a mortgage investment corporation under subsection 130.1(6) of the federal Act;
 - a deposit insurance corporation under subsection 137.1(5) of the federal Act;
 - a congregation or business agency to which section 143 of the federal Act applies;
 - an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	39,817,420
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	352,427,860
Total assets (total of lines 112 to 116)		392,245,280
Total revenue of the corporation for the tax year **	142	41,978,165
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	39,126,854
Total revenue (total of lines 142 to 146)		81,105,019

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

- Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *		210	762,691
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220	216,299	
Provision for deferred income taxes (debits)/cost of future income taxes	222		
Equity losses from corporations	224		
Financial statement loss from partnerships and joint ventures	226		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230		
Other additions (see note below):			
Share of adjusted net income of partnerships and joint ventures **	228		
Total patronage dividends received, not already included in net income/loss	232		
281	282		
283	284		
	Subtotal	216,299	216,299 A
Deduct (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	320		
Provision for deferred income taxes (credits)/benefit of future income taxes	322		
Equity income from corporations	324		
Financial statement income from partnerships and joint ventures	326		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332		
Gain on donation of listed security or ecological gift	340		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348		
Other deductions (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	328		
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338		
381 Tax recovery on net movements	382	165,059	
383	384		
385	386		
387	388		
389	390		
	Subtotal	165,059	165,059 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)		490	813,931

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* Rules for net income/loss

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

- Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued) -

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.

****** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

******* A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

******** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

********* A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

- Part 3 – CMT payable -

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) **515**

Deduct:

CMT loss available (amount R from Part 7) **518**

Minus: Adjustment for an acquisition of control * **518**

Adjusted CMT loss available **520** C

Net income subject to CMT calculation (if negative, enter "0") **520**

Amount from line 520 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ x $4\% =$ 1

Amount from line 520 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ x $2.7\% =$ 2

Subtotal (amount 1 plus amount 2) 3

Gross CMT: amount on line 3 above x OAF ** **540**

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0") D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) E

Net CMT payable (if negative, enter "0") E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** Calculation of the Ontario allocation factor (OAF):

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** = Taxable income *****

Ontario allocation factor 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	_____	G
Deduct:		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	620	
Add:		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	650	
CMT credit available for the tax year (amount on line 620 plus amount on line 650)		H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)		I
	Subtotal (amount H minus amount I)	J
Add:		
Net CMT payable (amount E from Part 3)		
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	670	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
– do not enter an amount on line G or line 600;
– for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.
For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)	_____	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	_____ 1	
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	_____ 2	
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	_____ 3	
Gross SAT (line 460 from Part 6 of Schedule 512)	_____ 4	
The greater of amounts 3 and 4	_____ 5	
Deduct: line 2 or line 5, whichever applies: _____ 6		
	Subtotal (if negative, enter "0")	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	_____	
Deduct:		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	_____	
	Subtotal (if negative, enter "0")	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)	_____	P
Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.		
Is the corporation claiming a CMT credit earned before an acquisition of control?	675 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If you answered yes to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.		

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) S

Subtotal (if negative, enter "0")

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760

CMT loss carryforward balance at the end of the tax year (amount S plus line 760) 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

- Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.



**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Niagara Power Incorporated	86880 5920 RC0002	9,436,079	135,297
2	Town of Grimsby	10698 4636 RC0001	342,991,781	38,991,557
	Total	450	352,427,860	550 39,126,854

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.



CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)			
Grimsby Power Incorporated			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	110 Date of incorporation or amalgamation, whichever is the most recent	Year Month Day	120 Ontario Corporation No.
Ontario		2015-10-01	1942231

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)			
210 Street number	220 Street name/Rural route/Lot and Concession number	230 Suite number	
231	Roberts Road		
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town)	260 Province/state	270 Country	280 Postal/zip code
Grimsby	ON	CA	L3M 5N2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

300 ☒ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 DOMOKOS **451** MIOARA
Last name First name

454 _____
Middle name(s)

460 ☒ 1 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	<input type="checkbox"/>	Please enter one of the following numbers in this box:	1 - Show no mailing address on the MGS public record. 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. 3 - The corporation's complete mailing address is as follows:
510	Care of (if applicable)		
520	Street number	530	Street name/Rural route/Lot and Concession number
		540	Suite number
550	Additional address information if applicable (line 530 must be completed first)		
560	Municipality (e.g., city, town)	570	Province/state
		580	Country
		590	Postal/zip code

Part 6 – Language of preference

600	<input type="checkbox"/>	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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Information Return for Corporations Filing Electronically

- Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the 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 T2 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 T2 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.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name Grimsby Power Incorporated				Business number 86487 4839 RC0002	
Tax year start	Year Month Day 2020-01-01	Tax year-end	Year Month Day 2020-12-31	Is this an amended return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Get your CRA mail electronically delivered in My Business Account at canada.ca/my-cra-business-account (optional)

Email address: _____

I understand that by providing an email address, I am **registering** the corporation to receive email notifications from the CRA. 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. For more information, see canada.ca/cra-business-email-notifications.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted above:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	-157,406
Part I tax payable (line 700)	
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, **DOMOKOS** Last name, **MIOARA** First name, **Director of Finance** Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation 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 T2 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 **(905) 945-5437**

Part 4 – Transmitter identification

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

KPMG LLP	A6698
Name of person or firm	Electronic filer number

Privacy statement

Personal information is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to 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 a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at canada.ca/cra-info-source.



Canada Revenue Agency
Agence du revenu du Canada

T2 Corporation Income Tax Return

200

EXEMPT FROM TAX

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

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

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

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

055 Do not use this area

Identification

Business number (BN) 001 86487 4839 RC0002

Corporation's name

002 Grimsby Power Incorporated

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.

011 231 Roberts Road

012 City Province, territory, or state
015 Grimsby 016 ON

Country (other than Canada) Postal or ZIP code
017 018 L3M 5N2

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? 020 Yes ☐ No ☒

If yes, complete lines 021 to 028.

021 c/o
022
023

City Province, territory, or state
025 026

Country (other than Canada) Postal or ZIP code
027 028

Location of books and records (if different from head office address)

Has this address changed since the last time we were notified? 030 Yes ☐ No ☒

If yes, complete lines 031 to 038.

031
032

City Province, territory, or state
035 036

Country (other than Canada) Postal or ZIP code
037 038

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 Tax year-end
Year Month Day Year Month Day
060 2020-01-01 061 2020-12-31

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

098

- Attachments

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

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

	Yes	Schedule
Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	160 <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	151 <input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input checked="" type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167 <input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168 <input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169 <input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170 <input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	171 <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	180 <input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202 <input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	213 <input checked="" type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221 <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	234 <input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	254 <input type="checkbox"/>	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272 <input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255 <input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input checked="" type="checkbox"/> 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?	<input checked="" type="checkbox"/> 259	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input checked="" type="checkbox"/> 260	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input checked="" type="checkbox"/> 261	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input checked="" type="checkbox"/> 262	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input checked="" type="checkbox"/> 263	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input checked="" type="checkbox"/> 264	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/> 265	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input checked="" type="checkbox"/> 266	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input checked="" type="checkbox"/> 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?	<input checked="" type="checkbox"/> 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?	<input checked="" type="checkbox"/> 269	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the corporation inactive?	280	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	221122	Electric Power Distribution			
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	ELECTRICITY DISTRIBUTION			
	286				
	288				
	285	100.000 %			
	287	%			
	289	%			
Did the corporation immigrate to Canada during the tax year?	291	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day			
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	-157,406	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			
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:

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

Business limit reduction

Taxable capital business limit reduction

Amount C	500,000	x	415 ***	35,896	D	=	1,595,378	E
				11,250				

Passive income business limit reduction

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

The greater of amount E and amount G 422 1,595,378 H

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

Reduced business limit after assignment for tax years starting before 2019 (line 425 **minus** amount J) 427

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

Small business deduction

Tax years starting before 2019

Amount A, B, C, or line 427 whichever is the least	x	Number of days in the tax year after December 31, 2017, and before January 1, 2019	x	18 % =	1
		366			

Amount A, B, C, or line 427 whichever is the least	x	Number of days in the tax year after December 31, 2018	x	19 % =	2
		366			

Tax years starting after 2018

Amount A, B, C, or K, whichever is the least	x	19 % =	3
--	---	--------	---

Small business deduction (total of amounts 1 to 3) 430

Enter amount from line 430 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. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. 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)

L1 Name of corporation receiving the income and assigned amount	L Business number of the corporation receiving the assigned amount	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³	N Business limit assigned to corporation identified in column L ⁴
	490	500	505
1.			
		Total 510	Total 515

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
- (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
- (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula $A - B$, where A is the amount of income referred to in column M 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)			DD
NERDTOH balance at the end of the tax year (line 545)			EE
Non-eligible dividend refund (amount DD or EE, whichever is less)			FF
Amount DD minus amount EE (if negative, enter "0")			GG
Amount BB minus amount CC (if negative, enter "0")			HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)			II
Dividend refund* - Amount CC plus amount FF plus amount II			JJ

Enter amount JJ on line 784 on page 9.

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

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 % **550** 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** **632**

Federal foreign non-business income tax credit from Schedule 21 **636**

Federal foreign business income tax credit from Schedule 21 **638**

General tax reduction for CCPCs from amount I on page 5 **639**

General tax reduction from amount P on page 5 **640**

Federal logging tax credit from Schedule 21 **641**

Eligible Canadian bank deduction under section 125.21 **648**

Federal qualifying environmental trust tax credit **652**

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 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)

Total tax payable **760**
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
Canadian journalism labour tax credit from Schedule 58	798
Tax withheld at source	800
Total payments on which tax has been withheld	801
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840
Total credits	890

Balance (amount A minus amount B)

Refund code **894**

Refund

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 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.

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 EFIL number **920** A6698

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

Certification

I, **950** DOMOKOS **951** MIOARA **954** Director of Finance
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 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (905) 945-5437 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**



Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

Balance sheet information

Account	Description	GIFI	Current year	Prior year
Assets				
	Total current assets	1599 +	5,790,994	5,385,314
	Total tangible capital assets	2008 +	40,508,469	38,553,173
	Total accumulated amortization of tangible capital assets	2009 -	10,710,181	9,441,981
	Total intangible capital assets	2178 +	882,928	834,907
	Total accumulated amortization of intangible capital assets	2179 -	816,379	791,097
	Total long-term assets	2589 +	4,161,589	3,307,928
	* Assets held in trust	2590 +		
	Total assets (mandatory field)	2599 =	39,817,420	37,848,244
Liabilities				
	Total current liabilities	3139 +	5,854,876	5,227,399
	Total long-term liabilities	3450 +	21,979,766	21,400,758
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	27,834,642	26,628,157
Shareholder equity				
	Total shareholder equity (mandatory field)	3620 +	11,982,778	11,220,087
	Total liabilities and shareholder equity	3640 =	39,817,420	37,848,244
Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849 =	6,129,310	5,366,619

* Generic item

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



Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

Income statement information

Description	GIFI
Operating name	0001
Description of the operation	0002
Sequence number	0003 01

Account	Description	GIFI	Current year	Prior year
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Income statement information

Total sales of goods and services	8089	+	41,632,639	35,141,265
Cost of sales	8518	-	36,113,590	29,511,017
Gross profit/loss	8519	=	5,519,049	5,630,248
Cost of sales	8518	+	36,113,590	29,511,017
Total operating expenses	9367	+	5,261,223	4,837,683
Total expenses (mandatory field)	9368	=	41,374,813	34,348,700
Total revenue (mandatory field)	8299	+	41,978,165	35,555,159
Total expenses (mandatory field)	9368	-	41,374,813	34,348,700
Net non-farming income	9369	=	603,352	1,206,459

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	=	603,352	1,206,459
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Total – other comprehensive income	9998	=		
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Extraordinary items and income (linked to Schedule 140)

Extraordinary item(s)	9975	-		
Legal settlements	9976	-		
Unrealized gains/losses	9980	+		
Unusual items	9985	-	-375,638	-213,350
Current income taxes	9990	-	216,299	295,323
Future (deferred) income tax provision	9995	-		
Total – Other comprehensive income	9998	+		
Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	762,691	1,124,486

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



Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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:

Completed an auditor's report 1 ☒ **198**

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:

Prepared the tax return (financial statements prepared by client) 1 ☐ **110**

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.

Grimsby Power Inc. Corporation's name EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 108 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
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Notes to the financial statements

Grimsby Power Incorporated.

Period ended December 31, 2020

BN 86487 4839 RC0002

Regulation 1101(5b.1) Election

The taxpayer hereby elects pursuant to subsection 1101(5b.1) of the Income Tax Regulations of Canada, to include each eligible non-residential building acquired during the year in a separate prescribed class.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements

Year ended December 31, 2020

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1. Reporting entity:

Grimsby Power Incorporated (the "Corporation"), is incorporated under the laws of Ontario and is owned by Niagara Power Incorporated, which in turn is wholly owned by The Corporation of the

Town of Grimsby. The Corporation's head office is located at 231 Roberts Road, Grimsby, Ontario, L3M 5N2.

The principal activity of the Corporation is to distribute electricity to the residents and businesses

in the Town of Grimsby, under a license issued by the Ontario Energy Board ("OEB"). The

Corporation is regulated by the OEB and adjustments to the Corporation's distribution and power rates require OEB approval.

The financial statements are for the Corporation as at and for the year ended December 31, 2020.

2. Basis of presentation:

(a) Statement of compliance:

The Corporation'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 April 22, 2021.

(b) Basis of measurement:

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

(d) Use of estimates and judgments:

(i) Assumptions and estimation uncertainty:

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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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2. Basis of presentation (continued):

(d) Use of estimates and judgments (continued):

(i) Assumptions and estimation uncertainty (continued):

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to

Grimsby Power Inc. Corporation's name EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 109 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
Grimsby Power Incorporated			

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Notes to the financial statements

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:

. Notes 3 (d), (e), (f), 6 and 7 - estimation of useful lives of its property, plant and

equipment and intangible assets and related impairment tests on long-lived assets;. Notes 3 (i), 10 - recognition and measurement of regulatory balances;

. Notes 3 (h), 16 - recognition and measurement of provisions and contingencies.(ii) Judgments:

Information about judgments made in applying accounting policies that have the most

significant effects on the amounts recognized in the financial statements is included in the following notes:

. Note 3 (j) - leases: whether an arrangement contains a lease; and

. Note 3 (b) - determination of the performance obligation for contributions from customers and the related amortization period.

. Notes 3 (i), 10 - recognition of regulatory balances;

(e) Rate regulation:

The Corporation 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 Corporation, 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 OEB has a decision and order in place banning LDC's in Ontario from disconnecting

homes for non-payment during the winter. This ban is normally in place from November 15 to

April 30 each year but was extended during the year to July 31, 2020.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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2. Basis of presentation (continued):

(e) Rate regulation (continued):

(i) Distribution rates:

The Corporation is required to file a "Cost of Service" ("COS") rate application every five

years, unless approved for a deferral, under which the OEB establishes the revenues

required to recover the forecasted operating costs, including amortization and income

taxes, of providing the regulated electricity distribution service and

Grimsby Power Inc. Corporation's name EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 110 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
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Notes to the financial statements

providing a fair return on the Corporation's rate base. The Corporation estimates electricity usage and the costs to service each customer class in order to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and any registered interveners. Rates are approved based upon the review of evidence and information, including any revisions resulting from that review. In the intervening years, an Incentive Regulation 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 set by the OEB and a "stretch factor" determined by the relative efficiency of an electricity distributor. On December 23, 2015, the Corporation submitted a COS rate application to the OEB to change distribution rates effective May 1, 2016. The application was approved by the OEB on August 18, 2016 and issued its Rate Order on September 22, 2016. On August 12, 2019 the Corporation submitted an IRM Application to the OEB requesting approval to change distribution rates effective January 1, 2020. The IRM Application, which provided a mechanistic and formulaic adjustment to distribution rates and charges, was approved by the OEB on December 12, 2019. The GDP IPI-FDD for 2019 is 2.0%, the Corporation's stretch factor is 0.15% and the productivity factor determined by the OEB is 0%, resulting in a net adjustment of 1.85% to the previous year's rates. (ii) Electricity rates: The OEB typically sets Ontario electricity prices for low-volume consumers twice each year (May and November) based on an estimate of how much it will cost to supply the province with electricity for the next year. In 2017, the OEB set new lower Regulated Price Plan (RPP) prices established under the Ontario Fair Hydro Act, 2017. On May 9, 2019, the Government of Ontario enacted Bill 87, the Fixing the Hydro Mess Act, 2019. The legislation amended the Ontario Rebate for Electricity Consumers Act, 2016, and the Ontario Fair Hydro Plan Act, 2017.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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2. Basis of presentation (continued):

(e) Rate regulation (continued):

(ii) Electricity rates (continued):

Effective November 1, 2019, the OEB set electricity prices under the RPP based on the estimated cost to supply the province with electricity. The Ministry of Energy, Northern

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Notes to the financial statements

Development and Mines set the amount of the rebate under the Ontario Rebate for Electricity Consumers Act, 2016 such that the monthly bill for a typical customer increased by the rate of inflation.

In 2020, the OEB also adjusted the Regulated Price Plan (RPP) prices in March and June in response to the Government issued Emergency Orders under the Emergency Management and Civil Protection Act to assist Ontarians who were forced to stay home due to the COVID-19 pandemic.

All remaining consumers pay the market price for electricity.

The Corporation is billed for the cost of the electricity that its customers use by the Independent Electricity System Operator and passes this cost on to the customer at cost without a mark-up.

(iii) Retail transmission rates:
These are the costs of delivering electricity from generating stations across the Province to local distribution networks. These charges include the costs to build and maintain the transmission lines, towers and poles and operate provincial transmission systems. Retail transmission rates are passed through to the operators of transmission networks and facilities.

(iv) Wholesale market service rates:
These are the costs of administering the wholesale electricity system and maintaining the reliability of the provincial grid and include the costs associated with funding Ministry of Energy conservation and renewable energy programs. The Corporation is billed for the cost of the wholesale electricity system by the Independent Electricity System Operator 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:

All financial assets and all financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(f). The Corporation does not enter into derivative instruments. Hedge accounting has not been used in the preparation of these financial statements.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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3. Significant accounting policies (continued):

(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

Grimsby Power Inc. Corporation's name Filed: July 30, 2021 EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 112 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
Grimsby Power Incorporated			

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Notes to the financial statements

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.

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 to 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 Conservation and Demand Management ("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.

Grimsby Power Inc. Corporation's name Filed: July 30, 2021 EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 113 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
Grimsby Power Incorporated			

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Notes to the financial statements

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

11

3. Significant accounting policies (continued):

(c) Inventory:

Inventory, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined

on an weighted 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, 2014 are measured at deemed cost established on the date of

transition to IFRS, 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.

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, 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 Corporation's borrowings. Qualifying

assets are considered to be those that take in excess of six 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

Corporation 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 Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

GRIMSBY POWER INCORPORATED

Grimsby Power Inc. Corporation's name EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 114 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
Grimsby Power Incorporated			

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Notes to the financial statements

Notes to Financial Statements (continued)

Year ended December 31, 2020

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3. Significant accounting policies (continued):

(d) Property, plant and equipment (continued):

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.

The estimated useful lives are as follows:

Years

General plant 3 to 50

Distribution plant 10 to 60

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2014 are

measured at deemed cost established on the date of transition to IFRS, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2014,

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:

Years

Computer software 5

(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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than 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.

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Notes to the financial statements

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. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination. 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. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a prorated basis, if applicable. An impairment loss in respect of goodwill is not reversed. For other assets, 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. For the regulated business, the carrying costs of most of the Corporation's non-financial assets are included in rate base (the aggregate of approved investment in PP&E and intangible assets, excluding construction in progress, less accumulated depreciation and amortization and unamortized capital contributions from customers, plus an allowance for working capital) where they earn an OEB-approved rate of return. Asset carrying values and the related return are recovered through approved rates. As a result, such assets are only tested for impairment in the event that the OEB disallows recovery, in whole or in part, or if such a disallowance is judged to be probable.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

14

3. Significant accounting policies (continued):

(g) Customer deposits:

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills and deposits. Interest is paid on customer deposits. Deposits are also received for planned chargeable work. No interest

Grimsby Power Inc. Corporation's name EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 116 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
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General Index of Financial Information

Notes to the financial statements

is paid on these deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation 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 Corporation 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. (i) Regulatory balances:

The Corporation elected to apply the requirements of IFRS 14, effective December 31, 2015.

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 Corporation.

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 other

comprehensive income ("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.

When the Corporation is required to refund amounts to ratepayers in the future, the

Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is

recognized in net movement in regulatory balances in profit or loss or OCI.

When the

amounts are returned to the customer at rates approved by the OEB the amounts are recognized as a reduction of revenue.

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. GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

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3. Significant accounting policies (continued):

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(j) Leased assets:

At inception of a contract, the Corporation assess whether the contract is or contains a lease.

A contract is determined to contain a lease if it provides the Corporation with the right to

control the use of an identified asset for a period of time in exchange for consideration.

Contracts determined to contain a lease are accounted for as leases. For leases and

contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease

liability at the lease commencement date. The right-of-use asset is initially measured at cost

which comprises the initial amount of the lease liability adjusted for any lease payments

made at or before the commencement date, plus any initial direct costs incurred and an

estimate of costs to dismantle and remove the underlying asset or to restore the underlying

asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the

commencement date to the earlier of the end of the useful life of the right-of-use asset or the

end of the lease term. The estimated useful lives of right-of-use assets are determined on

the same basis as those of property, plant and equipment. Subsequent to initial recognition,

the right-of-use asset is recognized at cost less any accumulated depreciation and any

accumulated impairment losses, adjusted for certain remeasurements of the corresponding lease liability.

The lease liability is initially measured at the present value of lease payments plus the

present value of lease payments that are not paid at the commencement date, discounted

using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently measured at amortized cost using the effective interest

method. It is remeasured when there is a change in future lease payments arising from a

change in an index or rate, if there is a change in the Corporation's estimate of the amount

expected to be payable under a residual value guarantee, or if the Corporation changes its

assessment of whether it will exercise a purchase, extension or termination option. When the

lease liability is remeasured in this way, a corresponding adjustment is made to the carrying

amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for

leases that have a lease term of 12 months or less or for leases of low value assets. The

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Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Finance income and finance costs:

Finance costs comprise interest expense on borrowings, customer deposits and bank charges. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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3. Significant accounting policies (continued):

(l) Post-employment benefits:

The Corporation provides a pension plan for some of its full-time employees through Ontario

Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension

plan that provides pensions for employees of Ontario municipalities, local boards and public

utilities. OMERS is a contributory defined benefit pension plan, which is financed by equal

contributions from participating employers and employees, and by investment earnings. To

the extent that the plan finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

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 Corporation to directly account for the plan.

Consequently, the plan

has been accounted for as a defined contribution plan. The Corporation 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.

(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 Corporation is 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

Corporation makes payments in lieu of corporate taxes to the Ontario

Electricity Financial

Corporation ("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.

Payments in lieu of

taxes and payments under the Tax Acts are collectively 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

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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.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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4. Accounts receivable:

2020 2019

Customer accounts receivable \$ 1,628,915 \$ 1,372,911

Other receivables 166,262 244,407

1,795,177 1,617,318

Less: loss allowance (6,500) (6,500)

\$ 1,788,677 \$ 1,610,818

5. Inventory:

The amount of inventory consumed by the Corporation and recognized as an expense during the year was \$645,417 (2019 - \$772,712). Inventory consumed consists primarily of parts used for repairs in the field.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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6. Property, plant and equipment:

General Distribution

Plant Plant Total

Cost or deemed cost

Balance, January 1, 2020 \$ 4,697,715 \$ 33,774,731 \$ 38,472,446

Additions 229,543 1,686,980 1,916,523

Disposals (8,103) - (8,103)

Balance, December 31, 2020 \$ 4,919,155 \$ 35,461,711 \$ 40,380,866

Balance, January 1, 2019 \$ 4,339,815 \$ 31,772,072 \$ 36,111,887

Additions 381,528 2,029,403 2,410,931

Disposals (23,628) (26,744) (50,372)

Balance, December 31, 2019 \$ 4,697,715 \$ 33,774,731 \$ 38,472,446

General Distribution

Plant Plant Total

Accumulated amortization

Balance, January 1, 2020 \$ 1,403,136 \$ 8,038,845 \$ 9,441,981

Depreciation 237,653 1,037,035 1,274,688

Disposals/retirements (6,488) - (6,488)

Balance, December 31, 2020 \$ 1,634,301 \$ 9,075,880 \$ 10,710,181

Balance, January 1, 2019 \$ 1,208,720 \$ 7,053,550 \$ 8,262,270

Depreciation 218,044 988,351 1,206,395

Disposals/retirements (23,628) (3,056) (26,684)

Balance, December 31, 2019 \$ 1,403,136 \$ 8,038,845 \$ 9,441,981

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Carrying amounts

December 31, 2020 \$ 3,284,854 \$ 26,385,831 \$ 29,670,685

December 31, 2019 \$ 3,294,579 \$ 25,735,886 \$ 29,030,465

At December 31, 2020, property plant and equipment with a carrying amount of \$29,670,685 (2019 - \$29,030,465) are subject to a general security agreement.

There were no borrowing costs capitalized as part of the cost of property, plant and equipment in

2020 and 2019. During the year, \$94,041 (2019 - \$86,344) of depreciation was capitalized during

the year. As at December 31, 2020, \$127,603 (2019 - \$80,727) has been recognized as

construction-in-progress included in other capital assets and not yet placed into service. During

the year, \$17,118 (2019 - \$nil) was disposed of from construction-in-progress and recognized in profit or loss.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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7. Intangible assets:

Computer

software

Cost or deemed cost

Balance, January 1, 2020 \$ 834,907

Additions 48,021

Disposals -

Balance, December 31, 2020 \$ 882,928

Balance, January 1, 2019 \$ 857,687

Additions -

Disposals (22,780)

Balance, December 31, 2019 \$ 834,907

Accumulated amortization

Balance, January 1, 2020 \$ 791,097

Amortization 25,282

Disposals -

Balance, December 31, 2020 \$ 816,379

Balance, January 1, 2019 \$ 780,514

Amortization 33,363

Disposals (22,780)

Balance, December 31, 2019 \$ 791,097

Carrying amounts

December 31, 2020 \$ 66,549

December 31, 2019 \$ 43,810

8. Deferred revenue:

2020 2019

Balance, beginning of year \$ 4,679,573 \$ 4,610,923

Additions 461,764 214,248

Amortization (154,859) (145,598)

Balance, end of year \$ 4,986,478 \$ 4,679,573

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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8. Deferred revenue (continued):

Deferred revenue relates to capital contributions received from customers and others. The

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amount of deferred revenue received is \$4,986,478 (2019 - \$4,679,573).

Deferred revenue is recognized as revenue on a straight-line basis over the life of the related asset for which the contribution was received.

9. Income tax expense:

Current tax expense

2020 2019

Current year \$ - \$ -

Adjustment for prior years - 1,425

\$ - \$ 1,425

Deferred tax expense

2020 2019

Origination and reversal of temporary differences \$ 216,299 \$ 293,898

Reconciliation of effective tax rate

2020 2019

Income before taxes \$ 603,352 \$ 1,206,459

Canada and Ontario statutory Income tax rates 26.5% 26.5%

Expected tax provision on income at statutory rates 159,888 319,712

Increase (decrease) in income taxes resulting from:

Non-deductible expenses 319 714

Adjustment for prior years 287 1,333

Regulatory movements 55,805 (26,436)

Income tax expense \$ 216,299 \$ 295,323

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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9. Income tax expense (continued):

Components of the Corporation's deferred tax balances:

2020 2019

Deferred tax assets:

Non-capital losses \$ 168,252 \$ 126,610

Deferred revenue 1,321,417 1,240,087

Other tax reserves 84,860 105,171

\$ 1,574,529 \$ 1,471,868

2020 2019

Deferred tax liabilities:

Property, plant, equipment and intangibles \$ (2,164,837) \$ (1,893,860)

Regulatory assets (330,783) (282,800)

\$ (2,495,620) \$ (2,176,660)

10. Regulatory balances:

The Corporation has determined that certain debit and credit balances arising from rate-regulated activities qualify for regulatory accounting treatment in accordance with IFRS 14 and the OEB's prescribed accounting procedures for electricity distributors. The regulatory balances

are comprised of regulatory debit variances of \$2,587,060 (2019 - \$1,836,060) and regulatory

credit balances for \$722,263 (2019 - \$346,901) for a net regulatory asset of \$1,864,797 (2019 - \$1,489,159).

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers'

Acceptances three-month rate plus a spread of 25 basis points, with the exception of the tax

balances. In 2020, the rate was 2.18% for the period January to June and 0.57% from July to December.

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The regulatory balances for the Corporation consist of the following:

(a) Settlement variances:

This account includes the variances between amounts charged by the Corporation, based on regulated rates, and the corresponding cost of electricity and non-competitive electricity service costs incurred by the Corporation such as commodity charges, retail transmission rates and wholesale market services charges. The Corporation has deferred the variances and related recoveries in accordance with the criteria set out in the accounting principles prescribed by the OEB. This account also includes variances between the amounts approved for disposition by the OEB and the amounts collected or paid through OEB approved rate riders.

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Notes to Financial Statements (continued)

Year ended December 31, 2020

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10. Regulatory balances (continued):

(a) Settlement variances (continued):

Settlement variances are reviewed annually as part of a COS or IRM application submitted to the OEB and a request for disposition is made if the aggregate of the settlement account exceeds the OEB's prescribed materiality level. In the Corporation's 2020 IRM application, submitted in August 2019, Grimsby Power obtained OEB approval for this disposition of the 2017 audited balances as they were above the OEB's prescribed materiality level. The OEB authorized the Corporation to dispose of a net debit balance of \$514,512 through rate riders that take effect January 1, 2020 to December 31, 2020.

(b) Income taxes:

The customer asset/liability for deferred taxes variance account relates to the expected regulatory asset or liability relating to deferred taxes arising from timing differences in the determination of income taxes as well as CCA acceleration.

(c) Lost revenue adjustment mechanism:

This deferral account includes the lost revenue adjustment variances in relation to the conservation and demand management ("CDM") programs or activities undertaken by the Corporation in accordance with OEB prescribed requirements (e.g. licence, codes and guidelines).

(d) Other:

This deferral account includes the allowable costs associated with cost assessments, retail charges and other miscellaneous regulatory accounts. Reconciliation of the carrying amount for each class of regulatory balances:

Regulatory deferral account debit balances

January 1, Additions/ Recovery/ December 31, Remaining

2020 transfers reversal 2020 years

Settlement variances \$ 1,112,430 \$ 953,877 \$ (501,612) \$ 1,564,695 1

Lost revenue adjustment

mechanism 70,688 60,321 (223) 130,786 1

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Other regulatory accounts 78,803 27,552 (13,484) 92,871 1

Income tax 574,139 224,569 - 798,708 Note 1

\$ 1,836,060 \$ 1,266,319 \$ (515,319) \$ 2,587,060

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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10. Regulatory balances (continued):

(d) Other (continued):

Regulatory deferral account debit balances

January 1, Additions/ Recovery/ December 31, Remaining

2019 transfers reversal 2019 years

Settlement variances \$ 1,193,678 \$ (81,248) \$ - \$ 1,112,430 2

Lost revenue adjustment

mechanism 65,760 4,928 - 70,688 2

Other regulatory accounts 88,685 (9,882) - 78,803 2

Income tax 108,887 465,252 - 574,139 Note 1

\$ 1,457,010 \$ 379,050 \$ - \$ 1,836,060

Regulatory deferral account credit balances

January 1, Additions/ Recovery/ December 31, Remaining

2020 transfers reversal 2020 years

Settlement variances \$ 194,754 \$ 315,852 \$ - \$ 510,606 1

Income tax 152,147 59,510 - 211,657 Note 1

\$ 346,901 \$ 375,362 \$ - \$ 722,263

Regulatory deferral account credit balances

January 1, Additions/ Recovery/ December 31, Remaining

2019 transfers reversal 2019 years

Settlement variances \$ 181,201 \$ 13,553 \$ - \$ 194,754 2

Income tax - 152,147 - 152,147 Note 1

\$ 181,201 \$ 165,700 \$ - \$ 346,901

Note 1 - these balances will be recovered over the life of the related capital assets.

The "Additions/transfers" column consists of new additions to regulatory balances (for both

debits and credits). The "Recovery/reversal" column consists of amounts collected or paid

through rate riders or transactions reversing an existing regulatory balance to recover.

Recoveries and reversals occur as a result of the approval of an application.

There were no

reversals of regulatory balances for the year ended December 31, 2020.

11. Accounts payable and accrued liabilities:

2020 2019

Accounts payable - energy purchases \$ 1,975,041 \$ 2,341,382

Payroll payable 167,828 66,843

Interest payable 131,986 132,347

Trade payables 691,675 1,275,900

\$ 2,966,530 \$ 3,816,472

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Notes to Financial Statements (continued)

Year ended December 31, 2020

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12. Long-term debt:

Long term liabilities comprise promissory notes and term loans.

2020 2019

Promissory note payable to the Town of Grimsby bearing

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interest at a rate of 4.54% per annum due February, 2022 \$ 5,782,746 \$ 5,782,746 TD term loan (for Smart Meters) with blended monthly instalments of \$10,739, at a fixed rate of 2.68%, due May 2026 639,918 750,226

TD term loan (economic evaluation and term loan) with interest only instalments at a fixed rate of 2.58%, due February 2023 3,270,000 3,270,000

TD term loan (for bucket truck, and breakage fee) with blended monthly instalments of \$40,539 at a fixed rate of 2.68%, due February 2027 2,763,200 3,170,505

TD term loan (for bucket truck and SCADA) with blended monthly instalments of \$4,366 at a fixed rate of 2.68%, due April 2033 549,806 586,609

13,005,670 13,560,086

Less: current portion of long-term debt (568,739) (555,203)

\$ 12,436,931 \$ 13,004,883

All TD loans are secured by a General Security Agreement over the assets of the Corporation, as well as an assignment of fire insurance on inventory and equipment, assignment of liability insurance, and Postponement Agreement executed by the bank, the Corporation and the Town of Grimsby.

The Corporation holds a line of credit bearing interest at prime, which at December 31, 2020 was 2.45% (2019 - 3.95%). As at December 31, 2020, \$2,090,000 (2019 - \$530,000) was owing.

Based upon current repayment terms, the estimated annual principal repayments are as follows: 2021 \$ 568,739

2022 6,366,916

2023 3,870,019

2024 616,173

2025 633,017

2026 and thereafter 950,806

\$ 13,005,670

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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13. Share capital:

2020 2019

Authorized:

Unlimited number of common shares

Issued:

1,001 common shares \$ 5,782,747 \$ 5,782,747

Dividends:

The holders of the common shares are entitled to receive dividends from time to time. For the year ended December 31, 2020, the Board of Directors of the Corporation declared and paid dividends to shareholders in the amount of \$nil (\$2019 - \$ nil) per share totaling \$nil (2019 - \$ nil) on the outstanding preferred shares.

14. Revenue from contracts with customers and other sources:

2020 2019

Revenue from contracts with customers:

Energy sales \$ 35,890,085 \$ 29,530,671

Distribution revenue 5,742,554 5,610,594

Ancillary services 93,099 110,555

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Other regulatory service charges 34,431 53,965
Rental 82,450 81,556
41,842,619 35,387,341
Revenue from other sources:
Amortization of deferred revenue 154,859 145,598
Other (19,313) 22,220
\$ 41,978,165 \$ 35,555,159

The following table disaggregates revenues from contracts with customers by type of customer for energy sales and distribution revenue:

2020 2019

Revenue from contracts with customers:

Residential \$ 20,075,143 \$ 16,562,051

Commercial 3,001,348 2,504,731

Large Users 18,146,692 15,578,106

Other 409,456 496,377

\$ 41,632,639 \$ 35,141,265

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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15. Finance costs:

2020 2019

Interest expense on long-term debt \$ 472,531 \$ 467,775

Interest expense on customer deposits 1,852 6,169

Other 5,711 5,030

\$ 480,094 \$ 478,974

16. Commitments and contingencies:

(a) General:

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.

(b) General Liability Insurance:

The Corporation 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, 2020, no assessments have been made.

(c) Letters of credit:

The Corporation has an irrevocable commercial letter of credit for contracted services with a

third party service provider, of which \$421,504 (2019 - \$421,504) has posted with the third party service provider.

The Corporation also has a facility for the purpose of issuing letters of credit mainly to support

the prudential requirements of the IESO, of which \$964,845 has posted with the IESO (2019 - \$964,845).

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17. Post-employment benefits:

OMERS pension plan

The Corporation 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. The latest actuarial valuation as at December 31, 2020 reported a funding deficit of \$3.2 billion (2019 - \$3.4 billion). OMERS expects the contributions and policy changes made in response to the deficit to return the plan to a fully funded position by 2025. Contributions were made in the 2020 calendar year at rates ranging from 9.0% to 14.6% depending on the level of earnings. In 2020, the Corporation made employer contributions of \$126,556 to OMERS (2019 - \$140,003) of which \$18,298 (2019 - \$20,972) has been capitalized as part of property, plant and equipment and \$108,258 (2019 - \$119,030) has been recognized in profit or loss. The Corporation estimates that a contribution of \$156,064 to OMERS will be made during the next fiscal year.

GRIMSBY POWER INCORPORATED

Notes to Financial Statements (continued)

Year ended December 31, 2020

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18. Related party transactions:

(a) Parent and ultimate controlling party:

The sole shareholder of the Corporation is Niagara Power Incorporated ("NPI") which is owned by The Corporation of the Town of Grimsby and another related party. The Town of Grimsby produces consolidated financial statements that are available for public use.

The following summarizes the Corporation's related party transactions recorded at the exchange amount and balances with the Town of Grimsby and NPI for the year ended December 31:

2020 2019

Revenue:

Service revenue \$ 626,454 \$ 691,231

Other 3,840 6,342

Expenses:

Interest charges 262,898 262,537

Other expenses 58,773 58,730

These transactions have taken place in the ordinary course of business and are recorded at a fair market exchange amount. The Corporation also delivers electricity to the Town of Grimsby throughout the year for the electricity needs of the Town and its related organizations. Electricity deliver charges are at prices and terms approved by the OEB. (b) Outstanding balances with related parties:

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2020 2019

Amounts due to related parties:

Long-term debt \$ 5,782,746 \$ 5,782,746

Due to related parties 26,984 11,165

Amounts due from related parties:

Due from related parties 6,275 35

Amounts due to / from related parties are non-interest bearing with no fixed terms of

repayment. Long-term debt bears interest at 4.54% per annum (see note 12).

In 2009, the Corporation migrated its billing system to a SAP platform. The Corporation has a

contractual commitment to pay \$6,396 per month for system administration and non-systemrelated support to a related party.

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Notes to Financial Statements (continued)

Year ended December 31, 2020

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18. Related party transactions:

(c) Transaction with other related parties:

In the ordinary course of business, the corporation incurred the following transactions with other related parties under common control:

2020 2019

Expenses:

IT services \$ 88,296 \$ 91,902

Other 7,885 1,056

(d) Key management personnel:

Key management personnel are comprised of the Corporation's senior executive officers and

members of the Board of Directors. The compensation costs associated with key management personnel are as follows:

2020 2019

Directors' fees \$ 36,367 \$ 18,188

Salaries, bonuses and other short-term benefits 416,378 398,312

\$ 452,745 \$ 416,500

19. Financial instruments and financial risk management:

Fair value disclosure

The carrying values of cash and cash equivalents, bank indebtedness, line of credit 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.

The TD term loans of \$7,222,924 has a fair value estimated at \$7,972,812

using a discount rate

of 2.45%. This discount rate is determined using indicative quoted rates for instruments with approximately the same terms and credit risk.

The fair value of the notes payable to The Corporation of the Town of Grimsby is estimated at

\$6,365,000 using a discount rate of 2.38%. This discount rate is determined using indicative

quoted rates for instruments with approximately the same terms and credit risk. GRIMSBY POWER INCORPORATED

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19. Financial instruments and financial risk management:

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as

anything that could impact its ability to achieve its strategic objectives.

The Corporation's

exposure to a variety of risks such as credit risk, interest rate risk, market risk and liquidity risk as

well as related mitigation strategies are discussed below. However, the risks described below are

not exhaustive of all the risks nor will the mitigation strategies eliminate the Corporation's exposure to all risks listed.

(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 Corporation, such as accounts

receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of

customers located in the Town of Grimsby. No single customer accounts for a balance in excess of 10% of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for

estimated credit losses 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, 2020 is \$6,500 (2019 -

\$6,500). An loss allowance of \$22,298 (2019 recovery of - (\$85,720)) was recognized during the year in profit or loss.

The Corporation's credit risk associated with accounts receivable is primarily related to

payments from distribution customers. The Corporation's credit risk associated with accounts

receivable is primarily related to payments from its electricity distribution customers. As a

result of the COVID-19 pandemic, certain of the Corporation's customers have experienced

loss of employment, business shut-downs and other disruptions. The extension of the OEB's

winter disconnection ban negatively impacted the Corporation's ability to exercise the full

extent of its collection tools to manage the credit risk. In response to the increased collection

risk, the Corporation has increased its loss allowance for expected credit losses to adjust for

the higher level of expected customer defaults on accounts receivable. The Corporation has

estimated the expected credit losses using its historical loss rates and recent trends for

customer collections along with current and forecasted economic conditions and data. There

is a greater degree of estimation uncertainty over this loss estimate than in 2019. To support

Grimsby Power Inc. Corporation's name EB-2021-0027	Exhibit 4, Tab 9 Attachment 1 Page 129 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
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Notes to the financial statements

residential and small business customers struggling to pay their energy bills, the Government of Ontario provided funding for the COVID-19 Energy Assistance Program ("CEAP"). At December 31, 2020, approximately \$28,308 (2019 - \$14,587) is considered 60 days past due. The Corporation has over 11,000 (2019 - 11,000) 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. At December 31, 2020 the Corporation holds security deposits in the amount of \$1,268,533 (2019 - \$1,279,682).

GRIMSBY POWER INCORPORATED
Notes to Financial Statements (continued)
Year ended December 31, 2020
31

19. Financial instruments and financial 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 Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation'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.

(c) Liquidity risk:
The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a \$3,250,000 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, 2020, \$2,090,000 (2019 - \$530,000) had been drawn under the Corporation's credit facility. 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 Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, to comply with covenants related to its credit facilities, to prudently manage 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 Corporation's definition of capital includes shareholder's equity, line

Grimsby Power Inc. Corporation's name	Exhibit 4, Tab 9 Attachment 1 Page 130 of 175	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
EB-2021-0027			
Grimsby Power Incorporated			

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Notes to the financial statements

of credit and long-term debt. As at December 31, 2020, shareholder's equity amounts to \$11,982,778 (2019 - \$11,220,087) and long-term debt amounts to \$15,095,670 (2019 - \$14,090,086).

20. Comparative information:

Certain comparative information has been reclassified to conform to the presentation adopted in the current year. There is no impact to profit or loss or equity as a result of reclassification.

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 125 762,691 A

Add:

Provision for income taxes – current	101	216,299
Amortization of tangible assets	104	1,205,929
Loss on disposal of assets	111	18,733
Charitable donations and gifts from Schedule 2	112	3,000
Non-deductible meals and entertainment expenses	121	1,204
Other reserves on lines 270 and 275 from Schedule 13	125	1,294,287
Reserves from financial statements – balance at the end of the year	126	1,289,839
Subtotal of additions		4,029,291

Other additions:

Capital items expensed	206	8
------------------------	-----	---

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
1 Opening Regulatory Asset balance	1,067,168		
2 Capital contributions received	461,764		
Total of column 2	1,528,932	296	1,528,932
Subtotal of other additions		199	1,528,940
Total additions		500	5,558,231

Amount A plus line 500 6,320,922 B

Deduct:

Capital cost allowance from Schedule 8	403	1,752,171
Other reserves on line 280 from Schedule 13	413	1,283,339
Reserves from financial statements – balance at the beginning of the year	414	1,300,787
Contributions to deferred income plans from Schedule 15	417	18,298
Subtotal of deductions		4,354,595

Other deductions:

Miscellaneous other deductions:

1 Description	2 Amount		
705	395		
1 Closing Reg Asset balance (no tax)	1,248,237		
2 18(9.1) deduction (4/9)	76,697		
3 Amortization of deferred capital contribution	154,859		
4 Tax recovery on net movements	165,059		
5 Election 13(7.4) - Capital Contributions Received	461,764		
6 Loss on disposal incl. in bx111 not prev. capitalized	17,117		
Total of column 2	2,123,733	396	2,123,733

Subtotal of other deductions	499	2,123,733	▶	2,123,733	E
Total deductions	510	6,478,328	▶	6,478,328	

Net income (loss) for income tax purposes (amount B minus line 510) **-157,406** C
Enter amount C on line 300 of the T2 return.

T2 SCH 1 E (19)

Canada

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Attached Schedule with Total

Line 395 – Amount

Title Line 395 – Amount

Description	Operator (Note)	Amount
Disposal per cash flow (incl. loss on items never capitalized - see D-02.1)		18,733 00
Actual loss on disposal	-	1,616 00
	+	
	Total	17,117 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula $1+2*3$ will not result in the same thing as the formula $1+3*2$.



Canada Revenue
Agency

Agence du revenu
du Canada

Schedule 2

Code 2001

Protected B
when completed

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 five years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- 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)
District School Board of Niagara - 19-0375	1,500
Niagara Catholic District School Board - 19088	1,500
	Subtotal 3,000
Add: Total donations of less than \$100 each	
Total donations in current tax year	
	3,000

Part 1 – Charitable donations

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year	1A		
Charitable donations expired after five tax years*	239		
Charitable donations at the beginning of the current tax year (amount 1A 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	3,000	3,000
Subtotal (line 250 plus line 210)	3,000	1B 3,000	3,000
Subtotal (line 240 plus amount 1B)	3,000	1C 3,000	3,000
Adjustment for an acquisition of control	255		
Total charitable donations available (amount 1C minus line 255)	3,000	1D 3,000	3,000
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260		
Charitable donations closing balance (amount 1D minus line 260)	280	3,000	3,000
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, 2024)	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
1 st prior year	2019-12-31			
2 nd prior year	2018-12-31			
3 rd prior year	2017-12-31			
4 th prior year	2016-12-31			
5 th prior year	2015-12-31			
6 th prior year*	2015-09-30			
7 th prior year	2014-12-31			
8 th prior year	2013-12-31			
9 th prior year	2012-12-31			
10 th prior year	2011-12-31			
11 th prior year	2010-12-31			
12 th prior year	2009-12-31			
13 th prior year	2008-12-31			
14 th prior year	2007-12-31			
15 th prior year	2006-12-31			
16 th prior year	2005-12-31			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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 ^{Footnote 1} multiplied by 75 %		2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 ^{Footnote 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 ^{Footnote 2}	2B	
Capital cost ^{Footnote 2}	2C	
Amount 2B or 2C, whichever is less	235	
Amount on line 230 or 235, whichever is less		2D
Subtotal (add lines 225, 227, and amount 2D)		2E
Amount 2E multiplied by 25 %		2F
Subtotal (amount 2A plus amount 2F)		2G
Maximum allowable deduction for charitable donations (enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least)		2H

Footnote 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.

Footnote 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	3A		
Gifts of certified cultural property expired after five tax years*	439		
Gifts of certified cultural property at the beginning of the current tax year (amount 3A 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)	3B		
Subtotal (line 440 plus amount 3B)	3C		
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)	3D		
Gifts of certified cultural property closing balance (amount 3C minus amount 3D)	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
1 st prior year	2019-12-31			
2 nd prior year	2018-12-31			
3 rd prior year	2017-12-31			
4 th prior year	2016-12-31			
5 th prior year	2015-12-31			
6 th prior year*	2015-09-30			
7 th prior year	2014-12-31			
8 th prior year	2013-12-31			
9 th prior year	2012-12-31			
10 th prior year	2011-12-31			
11 th prior year	2010-12-31			
12 th prior year	2009-12-31			
13 th prior year	2008-12-31			
14 th prior year	2007-12-31			
15 th prior year	2006-12-31			
16 th prior year	2005-12-31			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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	4A		
Gifts of certified ecologically sensitive land expired after five 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 4A 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)	4B		
Subtotal (line 540 plus amount 4B)	4C		
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)	4D		
Gifts of certified ecologically sensitive land closing balance (amount 4C minus amount 4D)	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	Federal	Québec	Alberta
Year of origin:			
1 st prior year	2019-12-31		
2 nd prior year	2018-12-31		
3 rd prior year	2017-12-31		
4 th prior year	2016-12-31		
5 th prior year	2015-12-31		
6 th prior year*	2015-09-30		
7 th prior year	2014-12-31		
8 th prior year	2013-12-31		
9 th prior year	2012-12-31		
10 th prior year	2011-12-31		
11 th prior year*	2010-12-31		
12 th prior year	2009-12-31		
13 th prior year	2008-12-31		
14 th prior year	2007-12-31		
15 th prior year	2006-12-31		
16 th prior year	2005-12-31		
17 th prior year	2004-12-31		
18 th prior year	2003-12-31		
19 th prior year	2002-12-31		
20 th prior year	2001-12-31		
21 st prior year*	2000-12-31		
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	5A		
Additional deduction for gifts of medicine expired after five tax years* 639			
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A 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)	5B		
Amount 5B multiplied by 50 % 5C			
Eligible amount of gifts 600			
Federal			
a $\times \left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017 610			
Québec			
a $\times \left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017			
Alberta			
a $\times \left(\frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017			
where:			
a is the lesser of line 601 and amount 5C			
b is the eligible amount of gifts (line 600)			
c is the proceeds of disposition (line 602)			
Subtotal (line 650 plus line 610) 5D			
Subtotal (line 640 plus amount 5D) 5E			
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) 5F			
Additional deduction for gifts of medicine closing balance (amount 5E minus amount 5F) 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
1 st prior year	2019-12-31			
2 nd prior year	2018-12-31			
3 rd prior year	2017-12-31			
4 th prior year	2016-12-31			
5 th prior year	2015-12-31			
6 th prior year*	2015-09-30			
7 th prior year	2014-12-31			
8 th prior year	2013-12-31			
9 th prior year	2012-12-31			
10 th prior year	2011-12-31			
11 th prior year	2010-12-31			
12 th prior year	2009-12-31			
13 th prior year	2008-12-31			
14 th prior year	2007-12-31			
15 th prior year	2006-12-31			
16 th prior year	2005-12-31			
17 th prior year	2004-12-31			
18 th prior year	2003-12-31			
19 th prior year	2002-12-31			
20 th prior year	2001-12-31			
21 st prior year*	2000-12-31			
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
1 st prior year	2019-12-31	
2 nd prior year	2018-12-31	
3 rd prior year	2017-12-31	
4 th prior year	2016-12-31	
5 th prior year	2015-12-31	
6 th prior year*	2015-09-30	
7 th prior year	2014-12-31	
8 th prior year	2013-12-31	
9 th prior year	2012-12-31	
10 th prior year	2011-12-31	
11 th prior year	2010-12-31	
12 th prior year	2009-12-31	
13 th prior year	2008-12-31	
14 th prior year	2007-12-31	
15 th prior year	2006-12-31	
16 th prior year	2005-12-31	
17 th prior year	2004-12-31	
18 th prior year	2003-12-31	
19 th prior year	2002-12-31	
20 th prior year	2001-12-31	
21 st prior year*	2000-12-31	
Total		

* These gifts expired in the current year.



Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 -157,406 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") -157,406 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) -157,406 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") -157,406 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 590,835 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) 102 590,835 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) 110 157,406 h

Subtotal (amount g plus amount h) 157,406 I

Subtotal (amount H plus amount I) 748,241 J

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

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

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

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

- Part 1 – Non-capital losses (continued) -

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	l
Subtotal (total of amounts i to l)		K
Non-capital losses before any request for a carryback (amount J minus amount K)	748,241	L

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

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	o
First previous tax year to reduce taxable dividends subject to Part IV tax	911	p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)	180	N
	748,241	

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

- Part 2 – Capital losses -

Continuity of capital losses and request for a carryback

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

Deduct:

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

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

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

Note

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

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

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

Part 2 – Capital losses (continued)

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

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

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

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

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year a

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

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

Add:

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

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

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

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

Deduct:

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

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

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

Enter amount g on line 334 of the T2 Return.

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

Subtotal (total of amounts e to h) D

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

Deduct – Request to carry back farm loss to:

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

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

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

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

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

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

Subtotal (total of amounts i to n) F

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

Note 8: A farm loss expires as follows:

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

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

- Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Minus the deductible farm loss:

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

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

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

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

Continuity of restricted farm losses and request for a carryback

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

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

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

Add:

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

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

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

Subtotal (amount f plus amount g) E

Subtotal (amount D plus amount E) F

Deduct:

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

Enter amount h on line 333 of the T2 return.

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

Other adjustments **450** j

Subtotal (total of amounts h to j) G

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

Deduct – Request to carry back restricted farm loss to:

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

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

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

Subtotal (total of amounts k to m) I

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

Note

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

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

Note 11: A restricted farm loss expires as follows:

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

- Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

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

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

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

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

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

Deduct:

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

Enter amount c on line 655 of Schedule 6.

Other adjustments **550** d

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

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

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

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

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

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

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

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

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
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

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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	157,406			N/A		157,406
1st preceding taxation year 2019-12-31		N/A		N/A			
2nd preceding taxation year 2018-12-31		N/A		N/A			
3rd preceding taxation year 2017-12-31	208,799	N/A		N/A			208,799
4th preceding taxation year 2016-12-31	382,036	N/A		N/A			382,036
5th preceding taxation year 2015-12-31		N/A		N/A			
6th preceding taxation year 2015-09-30		N/A		N/A			
7th preceding taxation year 2014-12-31		N/A		N/A			
8th preceding taxation year 2013-12-31		N/A		N/A			
9th preceding taxation year 2012-12-31		N/A		N/A			
10th preceding taxation year 2011-12-31		N/A		N/A			
11th preceding taxation year 2010-12-31		N/A		N/A			
12th preceding taxation year 2009-12-31		N/A		N/A			
13th preceding taxation year 2008-12-31		N/A		N/A			
14th preceding taxation year 2007-12-31		N/A		N/A			
15th preceding taxation year 2006-12-31		N/A		N/A			
16th preceding taxation year 2005-12-31		N/A		N/A			
17th preceding taxation year 2004-12-31		N/A		N/A			
18th preceding taxation year 2003-12-31		N/A		N/A			
19th preceding taxation year 2002-12-31		N/A		N/A			
20th preceding taxation year 2001-12-31		N/A		N/A			*
Total	590,835	157,406					748,241

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



Canada Revenue
Agency

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du Canada

Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 attributable to jurisdiction	E (D x taxable income) / H
Newfoundland and Labrador	003 Yes <input type="checkbox"/>	103		143	
Newfoundland and Labrador Offshore	004 Yes <input type="checkbox"/>	104		144	
Prince Edward Island	005 Yes <input type="checkbox"/>	105		145	
Nova Scotia	007 Yes <input type="checkbox"/>	107		147	
Nova Scotia Offshore	008 Yes <input type="checkbox"/>	108		148	
New Brunswick	009 Yes <input type="checkbox"/>	109		149	
Quebec	011 Yes <input type="checkbox"/>	111		151	
Ontario	013 Yes <input type="checkbox"/>	113		153	
Manitoba	015 Yes <input type="checkbox"/>	115		155	
Saskatchewan	017 Yes <input type="checkbox"/>	117		157	
Alberta	019 Yes <input type="checkbox"/>	119		159	
British Columbia	021 Yes <input type="checkbox"/>	121		161	
Yukon	023 Yes <input type="checkbox"/>	123		163	
Northwest Territories	025 Yes <input type="checkbox"/>	125		165	
Nunavut	026 Yes <input type="checkbox"/>	126		166	
Outside Canada	027 Yes <input type="checkbox"/>	127		167	
Total		129	G	169	H

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

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

Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits

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** _____

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 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 Regional Opportunities Investment Tax Credit (from Schedule 570) **472** _____

Ontario refundable tax credits (total of lines 450 to 472) **5J** _____

Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) **290** _____

(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** _____

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

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

Capital Cost Allowance (CCA)

 Grimsby Power Inc.
 Filed: July 30, 2021
 EB-2021-0027

Corporation's name Grimsby Power Incorporated	Business number 86487 4839 RC0002	Tax year-end Year Month Day 2020-12-31
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)?

☒ **101** Yes ☐ No ☒ **X**

 Exhibit 4, Tab 9
 Attachment 1
 Page 1 of 175

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	Buildings and Infrastructure	10,501,863							
2. 1b	Building additions	9,718							
3. 1b	Building additions		15,871	15,871					
4. 2		277,678							
5. 17	Parking Lot		2,020	2,020					
6. 47	Plant Assets	9,885,598	1,112,878	1,112,878					
7. 6	NWTC - FENCE	13,017							
8. 8	Furniture (cap. from reg)		13,571	13,571					
9. 8	Office and Equipment	397,460	19,464	19,464					
10. 8	Stores Equipment		123,960	123,960					
11. 10	Vehicles	453,057							
12. 45		12							
13. 50	Computer Hardware	13,667	68,228	68,228					
14. 50	Computers (cap. from reg)		15,938	15,938					
15. 12	Software		48,021	48,021					
Totals		21,552,070	1,419,951	1,419,951					

1 Class number * See note 1	9 UCC (column 2 plus column 3 plus column 5 minus column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIP (column 8 plus column 6 plus column 4 plus column 7) (if negative, enter "0")	11 Net capital cost additions of AIP acquired during the year (column 10) (if negative, enter "0")	12 UCC adjustment for AIP acquired during the year (column 11) multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 plus column 6 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 18)
200					224	212	213	215	217	220
1. 1. Buildin	10,501,863					4	0	0	420,075	10,081,788
2. 1b Buildin	9,718					6	0	0	583	9,235
3. 1b Buildin	15,871		15,871	7,936		6	0	0	1,428	14,443
4. 2	277,678					6	0	0	16,661	261,017
5. 17 Parking	2,020		2,020	1,010		8	0	0	242	1,778
6. 47 Plant A	10,998,476		1,112,878	556,439		8	0	0	924,393	10,074,083
7. 6 NWTC	13,017					10	0	0	1,302	11,715
8. 8 Furnitu	13,571		13,571	6,786		20	0	0	4,071	9,500
9. 8 Office	416,924		19,464	9,732		20	0	0	85,331	331,593
10. 8 Stores	123,960		123,960	61,980		20	0	0	37,188	86,772
11. 10 Vehicle	453,057					30	0	0	135,917	317,140
12. 45	12					45	0	0	5	7
13. 50 Compu	81,895		68,228	34,114		55	0	0	63,805	18,090
14. 50 Compu	15,938		15,938	7,969		55	0	0	13,149	2,789
15. 12 Softwa	48,021		48,021			100	0	0	48,021	
Totals	22,972,021		1,419,951	685,966					1,752,171	21,219,850

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.

2020-12-31

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%). 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.

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.

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.

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.

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.

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). 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.

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.

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.

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.

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.

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.

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).

T2 SCH 8 (19)



SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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.	Niagara Power Incorporated		86880 5920 RC0002	1					
2.	Town of Grimsby		10698 4636 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

T2 SCH 9 (11)

Canada



CONTINUITY OF RESERVES

Name of corporation Grimsby Power Incorporated	Business number 86487 4839 RC0002	Tax year end Year Month Day 2020-12-31
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- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's *T2 Corporation Income Tax Return*.
- For more information, see the *T2 Corporation Income Tax Guide*.

Part 1 – Capital gains reserves

Description of property 001	Balance at the beginning of the year \$ 002	Transfer on an amalgamation or the wind-up of a subsidiary \$ 003	Add \$	Deduct \$	Balance at the end of the year \$ 004
1					
Totals	008	009			010

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, *Summary of Dispositions of Capital Property*. The amount from line 010 should be entered on line 885 of Schedule 6.

Part 2 – Other reserves

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 \$
	110	115			120
Reserve for doubtful debts <input type="checkbox"/>	130	135			140
Reserve for undelivered goods and services not rendered <input checked="" type="checkbox"/>	1,294,287		1,283,339	1,294,287	1,283,339
	150	155			160
Reserve for prepaid rent <input type="checkbox"/>	190	195			200
Reserve for refundable containers <input type="checkbox"/>	210	215			220
Reserve for unpaid amounts <input type="checkbox"/>	230	235			240
Other tax reserves <input type="checkbox"/>	270	275			280
Totals	1,294,287		1,283,339	1,294,287	1,283,339

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*, as an addition. The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

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 General Allowance for Doubtful	6,500		6,500	6,500	6,500
Reserves from Part 2 of Schedule 13	1,294,287		1,283,339	1,294,287	1,283,339
Totals	1,300,787		1,289,839	1,300,787	1,289,839

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.



Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- Complete the information below if the corporation deducted payments from its income made to a registered pension plan (RPP), a registered supplementary unemployment benefit plan (RSUBP), a deferred profit sharing plan (DPSP), a pooled registered pension plan (PRPP), or an employee profit sharing plan (EPSP).
- If the trust that governs an employee profit sharing plan is **not resident** in Canada, please indicate if the T4PS, *Statement of Employees Profit Sharing Plan Allocations and Payments*, Supplementary slip(s) were filed for the last calendar year, and whether they were filed by the trustee or the employer.

Type of plan (see note 1)	Amount of contribution \$ (see note 2)	Registration number (RPP, RSUBP, PRPP, and DPSP only)	Name of EPSP trust	Address of EPSP trust	T4PS slip(s) (see note 3)
100	200	300	400	500	600
1	126,556	238091			

Note 1

Enter the applicable code number:

- 1 – RPP
- 2 – RSUBP
- 3 – DPSP
- 4 – EPSP
- 5 – PRPP

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans. To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule 126,556 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements 108,258 B

Deductible amount for contributions to deferred income plans

(amount A minus amount B) (if negative, enter "0") 18,298 C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
 2 – Employer
 (EPSP only)



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:

- Associated for purposes of allocating the business limit (unless association code 5 applies)
- 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
- Non-CCPC that is a **third corporation**
- Associated non-CCPC
- 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 2020
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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 %	6 Business limit allocated* \$	400
1	Grimsby Power Incorporated	86487 4839 RC0002	1	500,000	100.0000	500,000	
2	Niagara Power Incorporated	86880 5920 RC0002	1	500,000			
3	Town of Grimsby	10698 4636 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 $0.225\% \times (C - \$10,000,000)$. 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.

T2 SCH 23 E (19)

Canada

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Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than \$10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than \$10,000,000, file a completed Schedule 33 with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101	2,502,120
Capital stock (or members' contributions if incorporated without share capital)	103	5,782,747
Retained earnings	104	6,129,310
Contributed surplus	105	70,721
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	16,484,650
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	
Any dividends declared but not paid by the corporation before the end of the year	110	
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111	
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112	
Subtotal (add lines 101 to 112)		30,969,548
		30,969,548 A

Note:

Line 112 is determined by the formula $(A - B) \times C/D$ (as per paragraph 181.2(3)(g)) where:

- A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- those lines applied to partnerships in the same manner that they apply to corporations, and
 - those amounts were computed without reference to amounts owing by the partnership
 - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
 - to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.
- B is the partnership's deferred unrealized foreign exchange losses at the end of the period,
- C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and
- D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1) 30,969,548 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year 121 1,574,529

Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year 122

To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year. 123

Deferred unrealized foreign exchange losses at the end of the year 124

Subtotal (add lines 121 to 124) 1,574,529 1,574,529 B

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 29,395,019

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation 401

A loan or advance to another corporation (other than a financial institution) 402 200,778

A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution) 403

Long-term debt of a financial institution 404

A dividend payable on a share of the capital stock of another corporation 405

A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1) 406

An interest in a partnership (see note 2 below) 407

Investment allowance for the year (add lines 401 to 407) 490 200,778

Notes:

- Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
- Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
- Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190) 29,395,019 C

Deduct: Investment allowance for the year (line 490) 200,778 D

Taxable capital for the year (amount C minus amount D) (if negative, enter "0") 500 29,194,241

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Long term debt		568,739 00
Long term debt	+	12,436,931 00
Bank indebtedness	+	120,447 00
Customer deposits	+	82,176 00
Developers' deposits	+	1,186,357 00
Line of credit	+	2,090,000 00
	+	
	+	
	Total	16,484,650 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula $1+2*3$ will not result in the same thing as the formula $1+3*2$.

Attached Schedule with Total

Part 1 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in calculating income for th

Description	Operator (Note)	Amount
Sch 13s		6,500 00
Deferred tax liabilities	+	2,495,620 00
	+	
	Total	2,502,120 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula $1+2*3$ will not result in the same thing as the formula $1+3*2$.

Attached Schedule with Total

Part 2 – A loan or advance to another corporation (other than a financial institution)

Title Part 2 – A loan or advance to another corporation (other than a financial in

Description	Operator (Note)	Amount
Prepaid Expenses		200,778 00
	+	
	Total	200,778 00

Note: The calculations are performed one at a time, from the first to the last line, and not according to the priority rules of the operations. For example, the formula $1+2*3$ will not result in the same thing as the formula $1+3*2$.

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Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- 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 (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Niagara Power Incorporated	868805920RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- File this schedule if the corporation is subject to Ontario corporate minimum tax (CMT). CMT is levied under section 55 of the *Taxation Act, 2007* (Ontario), referred to as the "Ontario Act".
- Complete Part 1 to determine if the corporation is subject to CMT for the tax year.
- A corporation not subject to CMT in the tax year is still required to file this schedule if it is deducting a CMT credit, has a CMT credit carryforward, or has a CMT loss carryforward or a current year CMT loss.
- A corporation that has Ontario special additional tax on life insurance corporations (SAT) payable in the tax year must complete Part 4 of this schedule even if it is not subject to CMT for the tax year.
- A corporation is exempt from CMT if, throughout the tax year, it was one of the following:
 - 1) a corporation exempt from income tax under section 149 of the federal *Income Tax Act*;
 - 2) a mortgage investment corporation under subsection 130.1(6) of the federal Act;
 - 3) a deposit insurance corporation under subsection 137.1(5) of the federal Act;
 - 4) a congregation or business agency to which section 143 of the federal Act applies;
 - 5) an investment corporation as referred to in subsection 130(3) of the federal Act; or
 - 6) a mutual fund corporation under subsection 131(8) of the federal Act.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Determination of CMT applicability

Total assets of the corporation at the end of the tax year *	112	39,817,420
Share of total assets from partnership(s) and joint venture(s) *	114	
Total assets of associated corporations (amount from line 450 on Schedule 511)	116	352,427,860
Total assets (total of lines 112 to 116)		392,245,280
Total revenue of the corporation for the tax year **	142	41,978,165
Share of total revenue from partnership(s) and joint venture(s) **	144	
Total revenue of associated corporations (amount from line 550 on Schedule 511)	146	39,126,854
Total revenue (total of lines 142 to 146)		81,105,019

The corporation is subject to CMT if:

- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than \$5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than \$10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than \$50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than \$100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* Rules for total assets

- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** Rules for total revenue

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were \$1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

- Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *		210	762,691
Add (to the extent reflected in income/loss):			
Provision for current income taxes/cost of current income taxes	220	216,299	
Provision for deferred income taxes (debits)/cost of future income taxes	222		
Equity losses from corporations	224		
Financial statement loss from partnerships and joint ventures	226		
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230		
Other additions (see note below):			
Share of adjusted net income of partnerships and joint ventures **	228		
Total patronage dividends received, not already included in net income/loss	232		
281	282		
283	284		
	Subtotal	216,299	216,299 A
Deduct (to the extent reflected in income/loss):			
Provision for recovery of current income taxes/benefit of current income taxes	320		
Provision for deferred income taxes (credits)/benefit of future income taxes	322		
Equity income from corporations	324		
Financial statement income from partnerships and joint ventures	326		
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330		
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332		
Gain on donation of listed security or ecological gift	340		
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342		
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344		
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346		
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348		
Other deductions (see note below):			
Share of adjusted net loss of partnerships and joint ventures **	328		
Tax payable on dividends under subsection 191.1(1) of the federal Act multiplied by 3	334		
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336		
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338		
381 Tax recovery on net movements	382	165,059	
383	384		
385	386		
387	388		
389	390		
	Subtotal	165,059	165,059 B
Adjusted net income/loss for CMT purposes (line 210 plus amount A minus amount B)		490	813,931

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

- exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
- include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* Rules for net income/loss

- Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

- Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued) -

- Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.
- Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.
- Corporations, other than insurance corporations, should report net income from line 9999 of the GIF1 (Schedule 125) on line 210.

****** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

******* A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

******** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

********* A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

- Part 3 – CMT payable -

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) **515**

Deduct:

CMT loss available (amount R from Part 7) **518**

Minus: Adjustment for an acquisition of control * **518**

Adjusted CMT loss available **520** C

Net income subject to CMT calculation (if negative, enter "0") **520**

Amount from line 520 x $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$ x $4\% =$ 1

Amount from line 520 x $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$ x $2.7\% =$ 2

Subtotal (amount 1 plus amount 2) 3

Gross CMT: amount on line 3 above x OAF ** **540**

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 minus line 550) (if negative, enter "0") D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) E

Net CMT payable (if negative, enter "0") E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** Calculation of the Ontario allocation factor (OAF):

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** = Taxable income *****

Ontario allocation factor **1.00000** F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were \$1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *	_____	G
Deduct:		
CMT credit expired *	600 _____	
CMT credit carryforward at the beginning of the current tax year * (see note below)	_____	620 _____
Add:		
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)	_____	650 _____
CMT credit available for the tax year (amount on line 620 plus amount on line 650)	_____	H
Deduct:		
CMT credit deducted in the current tax year (amount P from Part 5)	_____	I
	Subtotal (amount H minus amount I)	J
Add:		
Net CMT payable (amount E from Part 3)	_____	
SAT payable (amount O from Part 6 of Schedule 512)	_____	
	Subtotal	K
CMT credit carryforward at the end of the tax year (amount J plus amount K)	_____	670 _____

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
– do not enter an amount on line G or line 600;
– for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.
For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)	_____	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	_____	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	_____	2
For a life insurance corporation:		
Gross CMT (line 540 from Part 3)	_____	3
Gross SAT (line 460 from Part 6 of Schedule 512)	_____	4
The greater of amounts 3 and 4	_____	5
Deduct: line 2 or line 5, whichever applies: _____ 6		
	Subtotal (if negative, enter "0")	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	_____	
Deduct:		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 minus line 450 from Schedule 5)	_____	
	Subtotal (if negative, enter "0")	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)	_____	P
Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.		
Is the corporation claiming a CMT credit earned before an acquisition of control?	675 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
If you answered yes to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.		

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * Q

Deduct:

CMT loss expired * 700

CMT loss carryforward at the beginning of the tax year * (see note below) 720

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) 750

CMT loss available (line 720 plus line 750) R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3)
Subtotal (if negative, enter "0") S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) 760
CMT loss carryforward balance at the end of the tax year (amount S plus line 760) 770 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.



**ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS
AND REVENUE FOR ASSOCIATED CORPORATIONS**

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- For use by corporations to report the total assets and total revenue of all the Canadian or foreign corporations with which the filing corporation was associated at any time during the tax year. These amounts are required to determine if the filing corporation is subject to corporate minimum tax.
- Total assets and total revenue include the associated corporation's share of any partnership(s)/joint venture(s) total assets and total revenue.
- Attach additional schedules if more space is required.
- File this schedule with the *T2 Corporation Income Tax Return*.

	Names of associated corporations	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	200	300	400	500
1	Niagara Power Incorporated	86880 5920 RC0002	9,436,079	135,297
2	Town of Grimsby	10698 4636 RC0001	342,991,781	38,991,557
	Total	450	352,427,860	550 39,126,854

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.

Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter "NR" if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.



CORPORATIONS INFORMATION ACT ANNUAL RETURN FOR ONTARIO CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
Grimsby Power Incorporated	86487 4839 RC0002	2020-12-31

- This schedule should be completed by a corporation that is incorporated, continued, or amalgamated in Ontario and subject to the Ontario *Business Corporations Act* (BCA) or Ontario *Corporations Act* (CA), except for registered charities under the federal *Income Tax Act*. This completed schedule serves as a *Corporations Information Act* Annual Return under the *Ontario Corporations Information Act*.
- Complete parts 1 to 4. Complete parts 5 to 7 only to report change(s) in the information recorded on the Ontario Ministry of Government Services (MGS) public record.
- This schedule must set out the required information for the corporation as of the date of delivery of this schedule.
- A completed Ontario *Corporations Information Act* Annual Return must be delivered within six months after the end of the corporation's tax year-end. The MGS considers this return to be delivered on the date that it is filed with the Canada Revenue Agency (CRA) together with the corporation's income tax return.
- It is the corporation's responsibility to ensure that the information shown on the MGS public record is accurate and up-to-date. To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. Visit www.ServiceOntario.ca for more information.
- This schedule contains non-tax information collected under the authority of the Ontario *Corporations Information Act*. This information will be sent to the MGS for the purposes of recording the information on the public record maintained by the MGS.

Part 1 – Identification

100 Corporation's name (exactly as shown on the MGS public record)			
Grimsby Power Incorporated			
Jurisdiction incorporated, continued, or amalgamated, whichever is the most recent	110 Date of incorporation or amalgamation, whichever is the most recent	Year Month Day	120 Ontario Corporation No.
Ontario		2015-10-01	1942231

Part 2 – Head or registered office address (P.O. box not acceptable as stand-alone address)

200 Care of (if applicable)			
210 Street number	220 Street name/Rural route/Lot and Concession number	230 Suite number	
231	Roberts Road		
240 Additional address information if applicable (line 220 must be completed first)			
250 Municipality (e.g., city, town)	260 Province/state	270 Country	280 Postal/zip code
Grimsby	ON	CA	L3M 5N2

Part 3 – Change identifier

Have there been any changes in any of the information most recently filed for the public record maintained by the MGS for the corporation with respect to names, addresses for service, and the date elected/appointed and, if applicable, the date the election/appointment ceased of the directors and five most senior officers, or with respect to the corporation's mailing address or language of preference? To review the information shown for the corporation on the public record maintained by the MGS, obtain a Corporation Profile Report. For more information, visit www.ServiceOntario.ca.

300 ☒ 1 If there have been no changes, enter 1 in this box and then go to "Part 4 – Certification."
If there are changes, enter 2 in this box and complete the applicable parts on the next page, and then go to "Part 4 – Certification."

Part 4 – Certification

I certify that all information given in this *Corporations Information Act* Annual Return is true, correct, and complete.

450 DOMOKOS **451** MIOARA
Last name First name

454 _____
Middle name(s)

460 ☒ 1 Please enter one of the following numbers in this box for the above-named person: 1 for director, 2 for officer, or 3 for other individual having knowledge of the affairs of the corporation. If you are a director and officer, enter 1 or 2.

Note: Sections 13 and 14 of the Ontario *Corporations Information Act* provide penalties for making false or misleading statements or omissions.

Complete the applicable parts to report changes in the information recorded on the MGS public record.

Part 5 – Mailing address

500	<input type="checkbox"/>	Please enter one of the following numbers in this box:	1 - Show no mailing address on the MGS public record. 2 - The corporation's mailing address is the same as the head or registered office address in Part 2 of this schedule. 3 - The corporation's complete mailing address is as follows:
510	Care of (if applicable)		
520	Street number	530	Street name/Rural route/Lot and Concession number
		540	Suite number
550	Additional address information if applicable (line 530 must be completed first)		
560	Municipality (e.g., city, town)	570	Province/state
		580	Country
		590	Postal/zip code

Part 6 – Language of preference

600	<input type="checkbox"/>	Indicate your language of preference by entering 1 for English or 2 for French. This is the language of preference recorded on the MGS public record for communications with the corporation. It may be different from line 990 on the T2 return.
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1 **NON-RECOVERABLE AND DISALLOWED EXPENSES**

2 GPI does not have any additional expenses that are deductible for general tax purposes,
3 but for which recovery in 2022 distribution rates would be partially or fully disallowed.

4 GPI confirms that expenses that are deemed non-recoverable in the revenue
5 requirement. (e.g. certain charitable donations as discussed in Exhibit 4, Tab 7, Section
6 2) have been appropriately excluded from the regulatory tax calculation.

1 **CONSERVATION AND DEMAND MANAGEMENT**

2 **11.1 OVERVIEW**

3 On March 31, 2010, the Ministry of Energy and Infrastructure issued a directive ("2010
4 Directive") to the OEB to take steps in order to establish Conservation and Demand
5 Management ("CDM") targets to be met by licensed electricity distributors over a four-
6 year period beginning January 1, 2011.

7 In response to the 2010 Directive, the OEB enacted the Conservation and Demand
8 Management Code for Electricity Distributors ("CDM Code") in September 2010. In
9 addition, in April 2012, the OEB issued a set of Guidelines for Electricity Distributor
10 Conservation and Demand Management ("2012 CDM Guidelines") which articulated
11 more specific guidance on the obligations and requirements in relation to CDM targets
12 with which distributors were mandated to comply, as stipulated in their licences.

13 Under the 2011-2014 CDM Framework, results were predominantly achieved through
14 the delivery of provincially-developed programs that were funded by the Ontario Power
15 Authority ("OPA"), in cooperation with electricity distributors. The 2011-2014
16 framework terminated on December 31, 2014.

17 In 2013, the Government of Ontario released an updated Long-Term Energy Plan
18 ("LTEP"). A key priority in the 2013 LTEP was reinforcement of the principle of
19 "conservation first" in the electricity sector's planning processes. In conjunction with
20 the implementation of the 2013 LTEP, the Ministry of Energy established a new
21 Conservation First Framework ("CFF"). The CFF structured around the goal of achieving
22 7 TWh of electricity savings province-wide from 2015-2020, with programs funded by
23 the Independent Electricity System Operator ("IESO") and delivered by electricity
24 distributors. In turn, the OEB received a directive from the Minister of Energy on March
25 31, 2014 that required the OEB to promote CDM and establish guidelines for CDM
26 program implementation by electricity distributors. These new CDM guidelines were
27 effective as of January 1, 2015, as part of the launch of the CFF framework.

1 On March 20, 2019, the Minister of Energy, Northern Development and Mines
2 ("MENDM") issued a directive to the IESO mandating the discontinuance of the CFF and
3 the establishment of an Interim Framework for CDM programming. Under the Interim
4 Framework, the new province-wide target for CDM savings was 1.4 TWh and the
5 framework was scheduled to expire on December 31, 2020.

6 Subsequent to the discontinuance of the 2015-2020 CFF, on June 20, 2019, the OEB
7 issued a letter to distributors stating that distributors should continue to have access
8 to LRAM related to the successful delivery of CFF programs. In addition, the OEB
9 updated the Chapter 2 filing requirements to make modifications reflecting the new
10 requirements set forth in the Interim Framework.

11 On July 22, 2020 the MENDM issued a directive to the IESO mandating the extension
12 of timelines for certain projects and related deadlines under the CFF to June 30, 2021.
13 These extensions are intended to offset the disruptions caused by COVID-19 for
14 participants and those businesses involved in delivering CDM programs. Contracted
15 program participants in the certain CFF programs are eligible for project extensions to
16 June 30, 2021 (Retrofit Program, Process and Systems Upgrade Program, Residential
17 New Construction Program, High Performance New Construction Program).

18 On September 30, 2020, MENDM directed the IESO to implement a 2021-2024
19 Conservation and Demand Management Framework launching January 1, 2021. The
20 new framework will be centrally-delivered by the IESO under the Save on Energy brand
21 and will include incentive programs targeted to those who need them most, including
22 opportunities for commercial, industrial, institutional, on-reserve First Nations, and
23 income-eligible electricity consumers. However, no further details are available at this
24 point.

25 CDM activity under the CFF was predominately funded through programs contracted
26 with the IESO and the Global Adjustment mechanism, and therefore costs directly
27 attributable to these CDM programs (e.g. staff labour dedicated to such programs) must
28 not be included in the revenue requirement to be recovered through distribution rates.

29 Grimsby Power confirms that no CDM costs are included in its revenue requirement.

11.2 LOST REVENUE ADJUSTMENT MECHANISM

The Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA") is a retrospective adjustment designed to account for differences between forecast revenue loss attributable to CDM activity embedded in rates and actual revenue loss due to the impacts of CDM programs. The OEB established Account 1568 as the LRAMVA to capture the difference between the OEB-approved CDM forecast and actual results at the customer rate class level calculated as the difference between the following:

- The results of the actual verified impacts of authorized CDM activities undertaken by the electricity distributor for OEB-approved CDM programs and/or OPA-Contracted Province-Wide CDM programs in relation to activities undertaken by the distributor and/or delivered for the distributor by a third party under contract (in the distributor's franchise area); and
- The level of CDM program activities included in the distributor's load forecast (i.e. the level embedded into rates).

At a minimum, distributors must apply for the clearance of its energy and/or demand related LRAMVA balances attributable to energy efficiency programs in their respective rebasing application. Distributors may apply for the disposition of the balance in the LRAMVA on an annual basis, as part of their IRM rate applications, if the balance is deemed significant by the applicant.

On May 19, 2016, the OEB issued the *Report on Updated Policy for the Lost Revenue Adjustment Mechanism Calculation: Lost Revenues and Peak Demand Savings from Conservation and Demand Management Programs* ("the LRAMVA Report"). The OEB updated its policy on how peak demand savings from energy efficiency and demand response programs should be treated for LRAMVA purposes.

In July 2016, the OEB developed a generic LRAMVA work form to provide distributors with a consistent approach to calculate LRAMVA.

In December 2016, the OEB indicated in various decisions that changes to an approved LRAMVA amount were not permitted. This policy affects the treatment of verified

savings adjustments that can be claimed by distributors. If an LRAMVA amount was approved and disposed, the persistence of the savings adjustment(s) can only be claimed on a "go-forward" basis. LDCs cannot seek recovery of LRAMVA amounts related to savings adjustments for a year in which the corresponding LRAMVA amount has been approved by the OEB on a final basis.

11.3 DISPOSITION OF THE LRAMVA

LRAM Variance Account (LRAMVA)

For CDM programs the Board established Account 1568 as the LRAMVA to capture the variance between the Board-approved CDM forecast and the actual results at the customer rate class level. At a minimum, distributors must apply for the disposition of the balance in the LRAMVA as part of their COS applications. In accordance with these guidelines, Grimsby Power is requesting approval for the recovery of lost revenue resulting from persistent CDM impacts realized from 2015 to 2020 in its CDM activities, including carrying charges through to December 31, 2021. The total amount requested for recovery is \$105,501, including carrying charges of \$5,818. The amounts requested for recovery are summarized in Table 4-59 below.

Table 4-59
Summary of Requested LRAM Amounts
2015 to 2020

Rate Classification	2015 Lost Revenue	2016 Lost Revenue	2017 Lost Revenue	2018 Lost Revenue	2019 Lost Revenue	2020 Lost Revenue	Total Interest	Total LRAMVA Claim
Residential	\$7,345	\$426	\$13,274	\$6,846	\$0	\$0	\$1,916	\$29,807
GS < 50	\$19,786	(\$1,580)	\$2,906	\$7,041	\$9,147	\$8,189	\$2,511	\$47,999
GS 50 to 4,999 kW	\$7,782	\$1,066	\$3,129	\$4,580	\$4,836	\$4,910	\$1,391	\$27,695
Total LRAM Amounts	\$34,913	(\$88)	\$19,310	\$18,466	\$13,983	\$13,099	\$5,818	\$105,501

Grimsby Power contracted Elenchus, a third-party energy consulting firm, to calculate the LRAM with the 2011-2014 Persistence Report, the 2017 Final Verified Annual LDC Program Results report (which includes final results for 2015, 2016, and 2017) and the April 2019 Participation and Cost Report from the IESO. Lost revenues based on Board-approved variable charges and applicable carrying charges through to December 31,

2021 are requested. The 2011-2014 Results Report, the IESO Final Verified Results from 2017, and the Participation and Cost reports for 2018 to April 2019 are provided as Exhibit 4, Tab 11, Attachments 1, 2, and 3, respectively. Additionally, a CDM Summary workbook has been prepared and is provided as Exhibit 4, Tab 11, Attachment 4. This workbook reconciles CDM data from the IESO reports with the data used in the LRAMVA Workform and load forecast. Grimsby Power confirms that no additional CDM savings after April 2019 are included in the LRAMVA Workform or load forecast so all CDM data is included within the attached IESO reports. All results are final and verified, except results provided in the April 2019 Participation and Cost Report.

Grimsby Power's last LRAMVA claim was in its 2016 Cost of Service application (EB-2015-0072) for the years 2011 to 2014. The LRAMVA threshold set in that proceeding for subsequent LRAMVA claims is based on full year forecast 2016 program savings only (EB-2015-0072 Settlement Agreement, page 23). Grimsby Power is entitled to 2015 persistence of IESO CDM program activities from 2011 to 2014 and first year 2015 program savings for its lost revenue in 2015, savings from 2016 programs for its lost revenue in 2016, persistence of 2016 programs to 2017 and first-year 2017 program savings for lost revenue in 2017, persistence of 2015 to 2017 programs to 2018 and first-year 2017 program savings for its lost revenue in 2018, persistence of 2015 to 2018 programs to 2019 and first-year 2019 program savings for its lost revenue in 2019, and persistence of 2016 to 2019 programs to 2020 for its lost revenue in 2020.

The LRAMVA threshold applicable to 2015 savings is the threshold established in Grimsby Power's 2012 COS application (EB-2011-0273) and the LRAMVA threshold applicable to 2016 to 2020 savings is the threshold established in 2016.

The April 2019 Participation and Cost Report provides first-year savings and savings persisting to 2020. Savings in other years are calculated by applying the applicable persistence rates as provided in the 'Reference Tables' tab of the Participation and Cost report. If persistence rates are not available, the annual average loss in persistence from first-year savings to 2020 are applied to in-between years.

1 Net incremental peak demand savings are not provided in the April 2019 Participation
2 and Cost Report. For the Save on Retrofit and Save on Small Business Lighting
3 programs, the average kW to kWh ratio of the programs' historic savings are applied
4 to net incremental energy savings to approximate net incremental demand savings.
5 The kW to kWh ratio of the Save on Energy Business Refrigeration program is the 2017
6 province-wide kW to kWh ratio associated with that program. Calculations based on the
7 April 2019 Participation and Cost report are made in tab '7. Persistence Report'.

8 Residential programs have been allocated fully to the Residential class. The Non-
9 Residential (previously labeled Commercial & Industrial Programs) are allocated to
10 General Service < 50 kW and General Service 50 to 4,999 kW based on the energy
11 savings of projects attributable to each class within the program. For each program in
12 a given year, total energy savings of projects undertaken by each class are evaluated
13 against the total energy savings among all classes in that program. This process used
14 project data from the IESO-provided Final Verified Annual LDC CDM Program Results
15 Project List Generator. A similar method was used prior to the Conservation First
16 Framework with data tracked by Grimsby Power on a best-efforts basis.

17 Carrying charges are calculated to December 31, 2021 with the Deferral and Variance
18 Account prescribed interest rate up to Q3 2021. The rate applicable in Q3 2021 has
19 been assumed for Q4 2021.

20 Table 4-60 below provides a summary of the program year and the associated lost
21 revenues by year that Grimsby Power is seeking recovery for, by class.

Table 4-60
Summary of Lost Revenues
2015 – 2020

Lost Revenue Year	Program Year	Residential	GS < 50	GS 50 to 4,999	Total
2015	2011	\$3,166.38	\$7,936.38	\$454.35	\$11,557.11
	2012	\$2,334.30	\$2,449.31	\$2,565.87	\$7,349.48
	2013	\$1,713.68	\$3,927.28	\$2,206.97	\$7,847.93
	2014	\$5,099.96	\$6,057.80	\$370.64	\$11,528.40
	2015	\$5,590.19	\$1,675.73	\$4,308.40	\$11,574.31
Forecast Lost Revenues in 2015		(\$10,559.50)	(\$2,260.94)	(\$2,124.17)	(\$14,944.62)
2015 Lost Revenue Total		\$7,345.01	\$19,785.56	\$7,782.05	\$34,912.61
2016	2016	\$13,220.74	\$4,031.91	\$3,245.05	\$20,497.70
Forecast Lost Revenues in 2016		(\$12,794.90)	(\$5,611.80)	(\$2,179.25)	(\$20,585.95)
2016 Lost Revenue Total		\$425.84	(\$1,579.89)	\$1,065.80	(\$88.25)
2017	2016	\$7,770.08	\$5,107.09	\$4,544.01	\$31,365.81
	2017	\$13,024.21	\$4,907.04	\$1,613.16	\$51,157.31
Forecast Lost Revenues in 2017		(\$7,519.81)	(\$7,108.28)	(\$3,027.74)	(\$17,655.84)
2017 Lost Revenue Total		\$13,274.48	\$2,905.85	\$3,129.43	\$19,309.76
2018	2016	\$3,943.03	\$5,161.00	\$4,567.47	\$13,671.50
	2017	\$5,268.33	\$4,980.45	\$1,651.38	\$11,900.15
	2018	\$1,450.18	\$4,082.52	\$1,404.34	\$6,937.05
Forecast Lost Revenues in 2018		(\$3,816.02)	(\$7,183.10)	(\$3,043.37)	(\$14,042.50)
2018 Lost Revenue Total		\$6,845.51	\$7,040.86	\$4,579.82	\$18,466.19
2019	2016	\$0.00	\$5,197.74	\$4,629.13	\$9,826.87
	2017	\$0.00	\$5,044.05	\$1,671.85	\$6,715.90
	2018	\$0.00	\$3,915.36	\$1,432.64	\$5,348.00
	2019	\$0.00	\$2,284.97	\$187.19	\$2,472.16
Forecast Lost Revenues in 2019		\$0.00	(\$7,295.34)	(\$3,084.46)	(\$10,379.80)
2019 Lost Revenue Total		\$0.00	\$9,146.78	\$4,836.35	\$13,983.13
2020	2016	\$0.00	\$4,920.25	\$4,714.70	\$9,634.95
	2017	\$0.00	\$5,068.72	\$1,702.75	\$6,771.46
	2018	\$0.00	\$3,522.56	\$1,442.29	\$4,964.85
	2019	\$0.00	\$2,122.77	\$191.90	\$2,314.67
	2020	\$0.00	\$0.00	\$0.00	\$0.00
Forecast Lost Revenues in 2020		\$0.00	(\$7,444.99)	(\$3,141.47)	(\$10,586.46)
2020 Lost Revenue Total		\$0.00	\$8,189.31	\$4,910.16	\$13,099.48
Carrying Charges to December 31, 2021		\$1,915.81	\$2,510.84	\$1,391.13	\$5,817.78
Total		\$29,806.65	\$47,999.32	\$27,694.73	\$105,500.70

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Disposition of the LRAM Variance Account

Grimsby Power is requesting approval for the recovery of lost revenue resulting from persistent CDM impacts realized from 2015-2020 CDM activity by way of volumetric rate riders over a one-year period from each applicable customer class. Table 4-61 sets the corresponding amounts by class, as well as the corresponding rate rider based on forecasted 2022 billing determinants.

Table 4-61
Proposed LRAM Rate Riders

Rate Classification	Total Lost Revenues	Total Interest	Total LRAM Claim	Billing Determinant	2022 Forecasted kWh/kW	Proposed Rate Rider
Residential	\$27,891	\$1,916	\$29,807	kWh	98,116,964	\$0.0003
GS < 50 kW	\$45,488	\$2,511	\$47,999	kWh	22,618,334	\$0.0021
GS > 50 to 4,999 kW	\$26,304	\$1,391	\$27,695	kW	223,982	\$0.1236
Total LRAM Claim	\$99,683	\$5,818	\$105,501			

The proposed LRAMVA claim has been included in the DVA Continuity Schedule model within Exhibit 9 – Deferral and Variance Accounts. The allocation of costs to the appropriate class and the calculation of rate riders are included in the model.



Grimsby Power Inc.
Filed: July 30, 2021
EB-2021-0027
Exhibit 4
Tab 11
Attachment 1

ATTACHMENT 1

2011-2014 Persistence Report_Grimsby Power Inc is filed in Excel format.



Grimsby Power Inc.
Filed: July 30, 2021
EB-2021-0027
Exhibit 4
Tab 11
Attachment 2

ATTACHMENT 2

2017 Final Verified Annual LDC CDM Program Results_Grimsby Power Inc_Report is
filed in Excel format.



Grimsby Power Inc.
Filed: July 30, 2021
EB-2021-0027
Exhibit 4
Tab 11
Attachment 3

ATTACHMENT 3

Participation and Cost Report - Grimsby Power Incorporated - 2019 04 is filed in Excel format.



Grimsby Power Inc.
Filed: July 30, 2021
EB-2021-0027
Exhibit 4
Tab 11
Attachment 4

ATTACHMENT 4

CDM Summary is filed in Excel format.