EPCOR Electricity Distribution Ontario Inc.

Cost of Service Application

EB-2022-0028

May 27, 2022

Exhibit 6 – Revenue Requirement

PROVIDING MORE

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6.0 Revenue Requirement and Calculation of Revenue Deficiency

The following information is included in the following section of this Exhibit:

- Determination of Net Utility Income
- Statement of Rate Base
- Actual Utility Return on Rate Base
- Indicated Rate of Return
- Requested Rate of Return
- Deficiency or Sufficiency in Revenue
- Gross Deficiency or Sufficiency in Revenue

Consistent with the filing requirements, EEDO is presenting information net of electricity price differentials captured in the Retail Settlement Variance Accounts (RSVAs) and also net of any cost associated with low voltage (LV) charges or DVA balances of distribution expenditures/revenues being tracked through approved deferral and variance accounts for certain distribution assets (e.g. ICM and ACM capital projects, MIST meters) and for which disposition is not being sought in the application.

6.1 Revenue Requirement Workform

6.1.1 Determination of Net Utility Income

EEDO's current rates were approved by the Board with an effective date of May 1, 2022 and implemented November 1, 2020 through an Incentive Rate Mechanism (IRM) application (EB-2021-0020). Existing revenues are based on existing Board approved rates, which are used in calculating utility's income and are comprised of distribution revenue and exclude pass-through charges such as LV Charges and Transmission Charges and well as balances in deferral and variance accounts.

The tables below illustrate distribution revenues at both current rates (effective May 1, 2022 and

and proposed Test Year 2023 rates using forecasted 2023 kWh consumption and demand kW volumes.

EEDO is forecasting a next income before taxes of $1,185,616 for the 2023 Test Year as shown in the table below, compared to a net loss of $21,462 using rates currently approved.

Table 6.1-1 – Net Income Current vs. Proposed Rates

Line No.	Particulars		Initial Application
	Operating Revenues:		
1	Distribution Revenue (at Proposed Rates)		$9,416,486
2	Other Revenue	(1)	$792,010
3	Total Operating Revenues		$10,208,496
	Operating Expenses:		
4	OM+A Expenses		$6,530,315
5	Depreciation/Amortization		$1,688,100
6	Property taxes		$ -
7	Capital taxes		$ -
8	Other expense		$25,600
9	Subtotal (lines 4 to 8)		$8,244,016
10	Deemed Interest Expense		$778,865
11	Total Expenses (lines 9 to 10)		$9,022,880
12	**Utility income before income taxes**		$1,185,616
13	Income taxes (grossed-up)		$ -
14	**Utility net income**		$1,185,616

(Source: RRWF Tab 5. Utility Income)

6.1.2 Statement of Rate Base

EEDO has calculated its 2023 Test Year Rate Base to be $34,226,778.

Table 6.1-2 - Summary of Changes in Rate Base ($000's)

		A **2013 Test**	B **2023 Test**	C **Variance $**	D **Variance %**
1					
2	Opening Balance, January 1	15,254	29,877	14,623	96%
3	Closing Balance, December 31	15,857	32,333	16,475	104%
4	**Net Fixed Assets (average)**	15,556	**31,105**	**15,549**	**100%**
5					
6	Controllable Expenses	4,585	6,556	1,971	43%
7	Cost of Power	29,473	35,066	5,593	19%
8	Working Capital Base	34,059	41,622	7,563	22%
9	Working Capital Rate %	12.0%	7.5%	-4.5%	-38%
10	**Working Capital Allowance**	4,087	**3,122**	**(965)**	**-24%**
11					
12	**Total Rate Base**	19,643	**34,227**	**14,584**	**74%**

Source: Exhibit 2, Section 2.1.1

6.1.3 Actual Utility Return on Rate Base

EEDO is forecasting a return on rate base of $1,964,480. Further detail is provided in the table below.

Table 6.1-3 – Return on Rate Base

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Debt				
1	Long-term Debt	56.00%	$19,166,996	3.98%	$762,846
2	Short-term Debt	4.00%	$1,369,071	1.17%	$16,018
3	**Total Debt**	60.0%	$20,536,067	3.79%	$778,865
	Equity				
4	Common Equity	40.00%	$13,690,711	8.66%	$1,185,616
5	Preferred Shares		$ -		$ -
6	**Total Equity**	40.0%	$13,690,711	8.66%	$1,185,616
7	**Total**	100.0%	$34,226,778	5.74%	$1,964,480

Source:App.2-OA: Capital Structure and Cost of Capital / RRWF - 7. Cost of Capital

6.1.4 Requested Rate of Return

EEDO seeks to recover a weighted average cost of capital of 5.74% through rates in the 2023 Test Year. The utility has followed the "Report of the Board on Cost of Capital for Ontario's Regulated Utilities" (December 11, 2009), as well as the "Review of the Existing Methodology of the Cost of Capital for Ontario's Regulated Utilities" (January 14, 2016) in determining the applicable cost of capital.

Table 6.1-4 – Requested Rate of Return

	%	Rate
Long-term Debt	56.00%	3.98%
Short-term Debt	4.00%	1.17%
Total Debt	**60.00%**	**3.79%**
Common Equity	40.00%	8.66%
Preferred Shares	0.00%	0.00%
Total Equity	**40.00%**	**8.66%**
Total	**100.00%**	**5.74%**

In calculating the applicable cost of capital, EEDO has used:

- The OEB's deemed capital structure of 56% long-term debt, 4% short-term debt, and 40% equity;

- The most recent published allowed return on equity (ROE) rate of 8.66%, short term debt rate of 1.17% as per the OEB's prescribed Cost of Capital Parameters published for 2022 Cost of Service applications[1].

[1] Cost of Capital Parameters for 2022 Cost-Based Rates, October 28, 2021

- A long term debt rate of 3.98% based on existing third party and affiliate debt along with forecasted affiliate debt. Further explanation on this calculation is provided in Exhibit 5.2.

6.1.5 Deficiency in Revenue

EEDO's net revenue deficiency under the proposed rates is $1,207,078. This deficiency is calculated as the difference between the 2023 Test Year Revenue Requirement and the 2023 revenue at existing rates (refer to Tab I6.1 "Revenue" in the Cost Allocation Model) plus the forecasted other operating revenues.

The Revenue Deficiency Table 6.1-6 presented at the next page is an excerpt from the Revenue Requirement Work Form.

Table 6.1-5 – Net Income Current vs. Proposed Rates

Line No.	Particulars	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$1,207,078
2	Distribution Revenue	$8,209,408	$8,209,408
3	Other Operating Revenue Offsets - net	$792,010	$792,010
4	**Total Revenue**	$9,001,418	$10,208,496
5	Operating Expenses	$8,244,016	$8,244,016
6	Deemed Interest Expense	$778,865	$778,865
7	**Total Cost and Expenses**	$9,022,880	$9,022,880
8	**Utility Income Before Income Taxes**	($21,462)	$1,185,616

(Source: RRWF Tab 8. Rev_Dev_Suff)

6.1.6 Causes of Revenue Deficiency

EEDO last filed a cost of service for rates effective May 1, 2013 (EB-2021-0116) during the which the utility has undergone various changes (including a change in ownership), along with other various operating changes and economic factors leading to the increase in forecasted revenue requirement. The table below provides a general overview of the drivers, additional detail can be found in Exhibit 1 and

OM&A: Exhibit 4
Depreciation: Exhibit 2 (including DSP) & Exhibit 4
Taxes/Other: Exhibit 4
Deemed Interest Expense: Exhibit 5
Return on Equity: Exhibit 5

Table 6.1-6 – Revenue Requirement Comparison

	Driver	A 2013 Board Approved	B 2023 Test Year	C Variance	D Total % Change	E Annual % Change
1	OM&A Expenses	4,585,160	6,530,315	1,945,155	42%	4%
2	Depreciation	940,212	1,688,100	747,888	80%	6%
3	Taxes/Other	67,958	25,600	-42,358	-62%	-9%
4	Deemed Interest Expense	461,552	778,865	317,313	69%	5%
5	Return on Equity (ROE)	705,571	1,185,616	480,045	68%	5%
6	**Service Revenue Requirement**	**6,760,453**	**10,208,496**	**3,448,043**	**51%**	**4%**
7	Revenue Offsets	-480,405	-792,010	-311,605	65%	5%
8	**Base Revenue Requirement**	**6,280,048**	**9,416,486**	**3,136,438**	**50%**	**4%**

The increase is driven by an increase of $1,945,155 in OM&A costs which reflect general inflation of approximatly16%[2], an increase in customers serviced of approximately 17%. The increase in depreciation is driven by an increase in the proposed rate base of $14,583,922 (additional asset investment driven by customer growth, aging infrastructure and cost inflation, offset by a decrease in working capital). The decrease in income taxes reflects tax loss carryforwards that EEDO is anticipating to utilize in 2023. The increase in cost of capital is increase in ratebase offset by a lower weighted average cost of capital.

6.2 Taxes or payments in lieu of taxes (PILS) and property taxes

6.2.1 Income Taxes or PILS

EEDO is required to make PILS payments based on its taxable income. EEDO files Federal/Provincial tax returns annually.

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

EEDO confirms that expenses that are deemed non-recoverable in the revenue requirement (e.g. individual charitable donations) or disallowed for regulatory purposes have no impact on the regulatory tax calculation as there are no current income taxes payable in the 2023 Test Year.

EEDO has used the OEB's 2023 Test Year Income Tax and PILs Work Form model to calculate the amount of taxes for inclusion in its' 2023 Test Year rates. PILs have been calculated under MIFRS accounting policies. EEDOs PILs taxes for the 2023 Test Year, under MIFRS accounting policies, are $0.

[2] Cumulative of inflation factors for incentive rate setting under price cap IR 2011 – 2020, using 1.5% for 2020.

Table 6.2-1 summarizes the difference between Net Income before Tax and Taxable income for the 2021 Actual, 2022 Bridge Year and 2023 Test year.

Table 6.2-1
Summary of Taxes
($)

	A **2021 Actual**	B **2022 Bridge Year**	C **2023 Test Year**
Net Income before Taxes	459,533	16,921	1,185,616
Net Income for Tax Purposes	(181,710)	(714,235)	103,613
Loss carry-forward used	N/A	N/A	(103,613)
Taxable Income	Nil	Nil	Nil
Taxes before tax credits	Nil	Nil	Nil
Tax Rate	26.5%	26.5%	26.5%
Tax Credits	N/A	N/A	N/A
Net Taxes	Nil	Nil	Nil
Grossed Up	N/A	N/A	Nil
Net Income after Taxes	(181,710)	(714,235)	1,185,616
Effective Tax Rate	Nil	Nil	Nil

As a result of loss carry-forward balances incurred in 2018 to 2020, and anticipated for 2021, EEDO will have a loss carry-forward balance for regulatory purposes of $2,680,706 at the end of the 2022 Bridge Year to use against taxable income for the 2023 Test Year. As a result of the loss carry-forward for regulatory purposes balance, EEDO will have no cash tax expense for the 2023 Test Year and no amount for tax has been included in the revenue requirement for the 2023 Test Year.

The PILS Work Form model has been filed in conjunction with this application with a copy included in Appendix B. The PILs model has been completed to confirm that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to.

1. The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application;
2. The capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historical, bridge and test years;
3. The 2021 tax return for EEDO has not yet been filed (the return is due June 30, 2022). Schedule 8 of the 2020 federal T2 tax return filed has been rolled forward with anticipated changes otherwise noted for the 2021 year in this filing and the opening bridge year UCC at January 1st agrees to these amounts;
4. The CCA deductions in the application's PILs tax model for historical, bridge and test years agree with the numbers in the UCC schedules for the same years filed in the application;
5. Loss carry-forwards, have been adjusted for non-utility expenses incurred in the 2018 to 2021 years. See Table 6.2-2 below for additional details;
6. There has been no restrictions on CCA claims in any tax year;
7. A discussion of the timing of use of loss carry-forward balances is included below;
8. Other post-employment benefits and pension expenses agree to the OM&A analysis for compensation. See section 4.4.1; and
9. The income tax rate used is consistent with the utility's actual tax facts and evidence filed in the application.

The most recent federal and provincial tax returns are presented in Appendix C of this Exhibit.

EEDO's 2020 federal and provincial tax returns include a loss-carryforward balance of $3,017,883. As shown in Table 6.2-1 above, 2021 losses are anticipated to be $181,710 resulting in a loss carry-forward balance of $3,199,593 to be carried to 2022. Included in losses incurred for the 2018 through 2021 years are approximately $1,266,169 of costs related to the Judicial Inquiry for EEDO (see Exhibit 4 section 4.1.2 for further details on this item). EEDO considers these costs non-distribution related as these are not costs which the customer would be responsible for. EEDO has removed the impact of these non-distribution related costs from the loss carry-forward balance for regulatory purposes. A reconciliation of EEDO's loss carry-forward balance through 2022 Bridge Year is included in the PILs Workform in Appendix B is provided in Table 6.2-2 below.

EEDO does not have any Account 1592 - PILs and Tax Variances - CCA changes sub-account for disposition with this filing as EEDO has not claimed accelerated CCA in any taxation year

Table 6.2-2
Reconciliation of Loss Carry-Forward Balances for Regulatory Purposes
($)

		A **2023** **Test Year**
1	Loss carry-forward per 2020 tax return	3,017,883
2	2021 losses	181,710
3	Judicial Inquiry costs incurred in 2018 to 2021	(1,266,169)
4	2022 losses	747,282
5	Loss carry-forward balance to 2023	2,680,706

The loss carry-forward balance available to be used in 2023 and subsequent years is $2,680,706 for regulatory purposes. Taxable income for the 2023 Test Year is $103,613. EEDO anticipates using the loss carry-forward for regulatory purposes balance over the 2023 – 2027 period prior to its next cost of service filing in 2028. As a result of expecting to use the loss carry-forward for regulatory purposes balance prior to its next cost of service filing, EEDO is requesting the establishment of a deferral account to track the use of the loss carry-forwards for regulatory purposes and to include any tax expense incurred in the 2023 to 2027 period once the loss carry-forward for regulatory purposes balance is fully utilized.

6.2.2 Other Taxes

EEDO pays property taxes on substations as shown in Table 6.2-2 below. These taxes have been consistent and are included in USofA 5012 Station Buildings and Fixture expenses.

Table 6.2-2

Property Taxes

($)

	2013 Board Approved	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Bridge Year	2023 Test Year
Property Taxes	17,221	21,507	22,167	22,082	19,817	19,380	18,980	18,716	18,388	18,000	18,000

6.2.3 Non-recoverable and Disallowed Expenses

EEDO projects approximately $3,300 in charitable donations that are non-recoverable. This has no impact on the regulatory tax calculation as there are no current taxes payable for the 2023 Test Year.

6.3 Other Revenue

Other Distribution Revenues are revenues that are distribution related but are sourced from means other than distribution rates. For this reason, other revenues are deducted from proposed revenue requirement.

Other Distribution Revenues includes items such as:

- Specific Service Charges
- Late Payment Charges
- Other Distribution Revenues
- Other Income and Expenses

EEDO also provides water and wastewater billing services on behalf of the Town of Collingwood.

A detailed breakdown by USoA account is shown in the OEB Appendix 2-H and further detail on year over year variances is provided in the following section.

Table 6.3-1 Other Revenues and Expenses

USoA #	USoA Description	2013 Test	2014 Actual[2]	2015 Actual[2]	2016 Actual[2]	2017 Actual[2]	2018 Actual[2]	2019 Actual[2]	2020 Actual[2]	2021 Actual	Bridge Year	Test Year
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Reporting Basis	CGAAP	CGAAP	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
4082	Retail Services Revenues	$ 18,000	$ 15,629	$ 17,740	$ 13,803	$ 11,066	$ 9,737	$ 9,982	$ 8,035	$ 7,256	$ 8,415	$ 16,830
4084	Service Transaction Requests (STR) Revenues	$ -	$ 339	$ 325	$ 187	$ 170	$ 143	$ 111	$ 111	$ 60	$ -	$ -
4086	SSS Administration Revenue	$ -	$ 45,721	$ 46,331	$ 47,489	$ 48,633	$ 49,908	$ 51,726	$ 53,964	$ 55,081	$ 56,372	$ 57,499
4210	Rent from Electric Property	$ 105,000	$ 99,950	$ 115,937	$ 149,575	$ 141,528	$ 144,666	$ 142,733	$ 136,505	$ 146,473	$ 143,707	$ 219,181
4225	Late Payment Charges	$ 84,000	$ 52,302	$ 53,758	$ 56,927	$ 53,070	$ 50,126	$ 57,435	$ 76,022	$ 68,705	$ 69,000	$ 69,000
4230	Sales of Water and Water Power	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4235	Miscellaneous Service Revenues	$ 204,000	$ 174,186	$ 173,799	$ 215,077	$ 168,175	$ 105,551	$ 85,414	$ 79,835	$ 88,406	$ 74,100	$ 75,000
4245	Government and Other Assistance Directly Credited to Income	$ -	$ -	$ 16,751	$ 45,635	$ 72,285	$ 84,826	$ 102,382	$ 121,960	$ 145,047	$ 148,162	$ 204,069
4355	Gain on Disposition of Utility and Other Property	$ -	$ 12,300	$ 2,825	$ 23,506	$ 10,000	$ 9,195	$ 106,781	$ 11,936	$ 9,272	$ -	$ -
4360	Loss on Disposition of Utility and Other Property	$ -	-$ 22,436	-$ 39,307	-$ 62,919	-$ 25,935	-$ 58,950	-$ 7,755	-$ 75,154	$ -	$ -	$ -
4375	Revenues from Non Rate-Regulated Utility Operations	$ 6,000	$ 950,338	$ 555,008	$ 95,225	$ 658,540	$ 908,253	$ 679,305	$ 861,383	$ 892,748	$ 878,255	$ 890,000
4380	Expenses of Non Rate-Regulated Utility Operations	$ -	-$ 886,476	-$ 499,807	-$ 61,322	-$ 614,546	-$ 709,035	-$ 631,254	-$ 822,501	-$ 806,880	-$ 828,255	-$ 775,000
4390	Miscellaneous Non-Operating Income	$ -	$ 116	-$ 640	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4405	Interest and Dividend Income	$ 48,000	$ 35,683	$ 34,485	$ 32,790	$ 40,051	$ 179,897	$ 158,465	$ 69,517	$ 27,394	$ 38,506	$ 35,431
Miscellaneous Service Revenues		$ 204,000	$ 174,186	$ 173,799	$ 215,077	$ 168,175	$ 105,551	$ 85,414	$ 79,835	$ 88,406	$ 74,100	$ 75,000
Late Payment Charges		$ 84,000	$ 52,302	$ 53,758	$ 56,927	$ 53,070	$ 50,126	$ 57,435	$ 76,022	$ 68,705	$ 69,000	$ 69,000
Other Operating Revenues		$ 123,000	$ 161,639	$ 197,083	$ 256,689	$ 273,682	$ 289,278	$ 306,933	$ 320,575	$ 353,916	$ 356,656	$ 497,579
Other Income or Deductions		$ 54,000	$ 89,526	$ 52,564	$ 27,280	$ 68,111	$ 329,360	$ 305,542	$ 45,181	$ 122,534	$ 88,506	$ 150,431
Total		$ 465,000	$ 477,651	$ 477,205	$ 555,973	$ 563,039	$ 774,315	$ 755,323	$ 521,614	$ 633,561	$ 588,262	$ 792,010

Source: Appendix 2-H - Other Operating Revenue

6.3.1 Other Revenue - Regulated Rates

EEDO is forecasting $437,510 in revenue related to regulated rates and service charges.

Table 6.3-2 Regulated Rates ($)

	4082 Retail	4084 STR Retail	4082 SSS Admin	4210 Pole Rental	4235 Misc Service	4225 - Late Payment	Total	YOY Variance
2013 Test	18,000	-	-	105,000	204,000	84,000	411,000	
2014	15,629	339	45,721	99,950	174,186	52,302	388,126	-6%
2015	17,740	325	46,331	115,937	173,799	53,758	407,890	5%
2016	13,803	187	47,489	149,575	215,077	56,927	483,057	18%
2017	11,066	170	48,633	141,528	168,175	53,070	422,643	-13%
2018	9,737	143	49,908	144,666	105,551	50,126	360,129	-15%
2019	9,982	111	51,726	142,733	85,414	57,435	347,400	-4%
2020	8,035	111	53,964	136,505	79,835	76,022	354,473	2%
2021	7,256	60	55,081	146,473	88,406	68,705	365,980	3%
2022 Bridge Year	8,415	-	56,372	143,707	74,100	69,000	351,594	-4%
2023 Test Year	16,830	-	57,499	219,181	75,000	69,000	$437,510	24%
Average	*12,408*	*131*	*46,611*	*140,478*	*131,231*	*62,759*	*393,618*	
% vs. Average	*36%*	*0%*	*23%*	*56%*	*-43%*	*10%*	*11%*	

Notable variances compared to average values include:

Retail Service Charges (4082) - An increase due to the disposition of related Retail Service Charge Incremental Revenue Group 2 deferral account. As this account is closed, EEDO will charge retail transactions based on the Board's annual decision and rate order.

Pole Rental (4082) - An increase due to the disposition of related Pole Attachment Revenue Incremental Revenue Group 2 deferral account. As this account is closed, EEDO will charge pole attachment fees based on the Board's generic annual decision and rate order.

Misc Service (4235) - A decrease due to changes in customer services, which eliminated the notice delivery charge from EEDO's rate order, along with shorter collection periods as a result of the disconnection moratorium.

6.3.2 4245 – Government and Other Assistance Directly Credited to Income

This account shall include the deferred revenues arising from customer contributions that are amortized to income. Amounts recognized in Account 2440 are to be amortized to income over the useful life of the related property, plant and equipment or intangible asset to which the contribution were made by debiting Account 2440, Deferred Revenue, and crediting this account.

Table 6.3-3 Account 4245 ($)

	4245 GOV Assistance	YOY Variance
2013 Test	-	
2014	-	
2015	16,751	
2016	45,635	172%
2017	72,285	58%
2018	84,826	17%
2019	102,382	21%
2020	121,960	19%
2021	145,047	19%
2022 Bridge Year	148,162	2%
2023 Test Year	204,069	38%
Average	*85,556*	
% vs. Average	*139%*	

6.3.3 4375/4380 Revenues/Expenses of Non-Rate Regulated Activities

EEDO has provided water and wasterwater billing services since the previous cost of service filing, previously as an affiliate, but currently as third party service provider with a service agreement finalized upon closure of the Collus PowerStream share purchase agreement.

EEDO bills customers in the Town of Collingwood who the Town provides water and/or waterwater services in a mutually beneficial agreement to reduce overall costs for both parties through a shared service. These related costs and expenses are included in accounts 4375/4380.

Table 6.3-4 Non-Rate Regulated Activities ($)

	4375 Revenue	4380 Expense	Total	YOY Variance
2013 Test	6,000	-	6,000	
2014	950,338	(886,476)	63,862	964%
2015	555,008	(499,807)	55,201	-14%
2016	95,225	(61,322)	33,903	-39%
2017	658,540	(614,546)	43,995	30%
2018	908,253	(709,035)	199,218	353%
2019	679,305	(631,254)	48,051	-76%
2020	861,383	(822,501)	38,882	-19%
2021	892,748	(806,880)	85,867	121%
2022 Bridge Year	878,255	(828,255)	50,000	-42%
2023 Test Year	890,000	(775,000)	115,000	130%
Average	*670,460*	*(603,189)*	*67,271*	
% vs. Average	*33%*	*28%*	*71%*	

APPENDIX A – Revenue Requirement Workform

[redacted]

Revenue Requirement Workform (RRWF) for 2022 Filers

Version 1.00

Utility Name	EPCOR Electricity Distribution Ontario Inc.
Service Territory	
Assigned EB Number	EB-2022-0028
Name and Title	Tim Hesselink, Senior Manager, Regulatory Affairs
Phone Number	705-445-1800 ext. 2274
Email Address	thesselink@epcor.com
Test Year	2023
Bridge Year	2022
Last Rebasing Year	2013

The RRWF has been enhanced commencing with 2017 rate applications to provide estimated base distribution rates. The enhanced RRWF is not intended to replace a utility's formal rate generator model which should continue to be the source of the proposed rates as well as the final ones at the conclusion of the proceeding. The load forecasting addition made to this model is intended to be demonstrative only and does not replace the information filed in the utility's application. In an effort to minimize the incremental work required from utilities, the cost allocation and rate design additions to this model do in fact replace former appendices that were required to be filed as part of the cost of service (Chapter 2) filing requirements.

[redacted]

Revenue Requirement Workform (RRWF) for 2022 Filers

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[5. Utility Income](#)

[6. Taxes_PILs](#)

[7. Cost_of_Capital](#)

[8. Rev_Def_Suff](#)

[9. Rev_Reqt](#)

[10. Load Forecast](#)

[11. Cost Allocation](#)

[12. Residential Rate Design](#)

[13. Rate Design and Revenue Reconciliation](#)

[14. Tracking Sheet](#)

Notes:

(1) Pale green cells represent inputs

(2) Pale green boxes at the bottom of each page are for additional notes

(3) Pale yellow cells represent drop-down lists

(4) ***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***

(5) ***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

[redacted]

[redacted]

Data Input [1]

		Initial Application	(2)	(6)	Per Board Decision	
1	**Rate Base**					
	Gross Fixed Assets (average)	$42,620,963		$ 42,620,963	$42,620,963	
	Accumulated Depreciation (average)	($11,515,826)	(5)	($11,515,826)	($11,515,826)	
	Allowance for Working Capital:					
	Controllable Expenses	$6,555,915		$ 6,555,915	$6,555,915	
	Cost of Power	$35,065,966		$ 35,065,966	$35,065,966	
	Working Capital Rate (%)	7.50%	(9)	(9)		(9)
2	**Utility Income**					
	Operating Revenues:					
	Distribution Revenue at Current Rates	$8,209,408				
	Distribution Revenue at Proposed Rates	$9,416,486				
	Other Revenue:					
	Specific Service Charges	$75,000				
	Late Payment Charges	$69,000				
	Other Distribution Revenue					
	Other Income and Deductions	$648,010				
	Total Revenue Offsets	$792,010	(7)			
	Operating Expenses:					
	OM+A Expenses	$6,530,315		$ 6,530,315	$6,530,315	
	Depreciation/Amortization	$1,688,100		$ 1,688,100	$1,688,100	
	Property taxes					
	Other expenses	$25,600		25600	$25,600	
3	**Taxes/PILs**					
	Taxable Income:					
	Adjustments required to arrive at taxable income	($1,185,616)	(3)			
	Utility Income Taxes and Rates:					
	Income taxes (not grossed up)	$ -				
	Income taxes (grossed up)	$ -				
	Federal tax (%)	0.00%				
	Provincial tax (%)	0.00%				
	Income Tax Credits					
4	**Capitalization/Cost of Capital**					
	Capital Structure:					
	Long-term debt Capitalization Ratio (%)	56.0%				
	Short-term debt Capitalization Ratio (%)	4.0%	(8)	(8)		(8)
	Common Equity Capitalization Ratio (%)	40.0%				
	Prefered Shares Capitalization Ratio (%)					
		100.0%				
	Cost of Capital					
	Long-term debt Cost Rate (%)	3.98%				
	Short-term debt Cost Rate (%)	1.17%				
	Common Equity Cost Rate (%)	8.66%				
	Prefered Shares Cost Rate (%)					

Notes:

General Data inputs are required on Sheets 3. Data from Sheet 3 will automatically complete calculations on sheets 4 through 9 (Rate Base through Revenue Requirement). Sheets 4 through 9 do not require any inputs except for notes that the Applicant may wish to enter to support the results. Pale green cells are available on sheets 4 through 9 to enter both footnotes beside key cells and the related text for the notes at the bottom of each sheet.

(1) All inputs are in dollars ($) except where inputs are individually identified as percentages (%)

(2) Data in column E is for Application as originally filed. For updated revenue requirement as a result of interrogatory responses, technical or settlement conferences, etc., use column M and Adjustments in column I

(3) Net of addbacks and deductions to arrive at taxable income.

(4) Average of Gross Fixed Assets at beginning and end of the Test Year

(5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.

(6) Select option from drop-down list by clicking on cell M12. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.

(7) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

(8) 4.0% unless an Applicant has proposed or been approved for another amount.

(9) The default Working Capital Allowance factor is 7.5% (of Cost of Power plus controllable expenses), per the letter issued by the Board on June 3, 2015. Alternatively, a WCA factor based on lead-lag study, with supporting rationale could be provided.

[redacted]

[redacted]

Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application				Per Board Decision
1	Gross Fixed Assets (average)	(2)	$42,620,963	$ -	$42,620,963	$ -	$42,620,963
2	Accumulated Depreciation (average)	(2)	($11,515,826)	$ -	($11,515,826)	$ -	($11,515,826)
3	Net Fixed Assets (average)	(2)	$31,105,137	$ -	$31,105,137	$ -	$31,105,137
4	Allowance for Working Capital	(1)	$3,121,641	($3,121,641)	$ -	$ -	$ -
5	**Total Rate Base**		$34,226,778	($3,121,641)	$31,105,137	$ -	$31,105,137

(1) Allowance for Working Capital - Derivation

6	Controllable Expenses		$6,555,915	$ -	$6,555,915	$ -	$6,555,915
7	Cost of Power		$35,065,966	$ -	$35,065,966	$ -	$35,065,966
8	Working Capital Base		$41,621,881	$ -	$41,621,881	$ -	$41,621,881
9	Working Capital Rate %	(1)	7.50%	-7.50%	0.00%	0.00%	0.00%
10	Working Capital Allowance		$3,121,641	($3,121,641)	$ -	$ -	$ -

Notes

(1) Some Applicants may have a unique rate as a result of a lead-lag study. The default rate for 2021 cost of service applications is 7.5%, per the letter issued by the Board on June 3, 2015.

(2) Average of opening and closing balances for the year.

[redacted]

Utility Income

Line No.	Particulars		Initial Application				Per Board Decision
	Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)		$9,416,486	($9,416,486)	$ -	$ -	$ -
2	Other Revenue	(1)	$792,010	($792,010)	$ -	$ -	$ -
3	Total Operating Revenues		$10,208,496	($10,208,496)	$ -	$ -	$ -
	Operating Expenses:						
4	OM+A Expenses		$6,530,315	$ -	$6,530,315	$ -	$6,530,315
5	Depreciation/Amortization		$1,688,100	$ -	$1,688,100	$ -	$1,688,100
6	Property taxes		$ -	$ -		$ -	
7	Capital taxes		$ -	$ -	$ -	$ -	$ -
8	Other expense		$25,600	$ -	$25,600	$ -	$25,600
9	Subtotal (lines 4 to 8)		$8,244,016	$ -	$8,244,016	$ -	$8,244,016
10	Deemed Interest Expense		$778,865	($778,865)	$ -	$ -	$ -
11	Total Expenses (lines 9 to 10)		$9,022,880	($778,865)	$8,244,016	$ -	$8,244,016
12	**Utility income before income taxes**		$1,185,616	($9,429,631)	($8,244,016)	$ -	($8,244,016)
13	Income taxes (grossed-up)		$ -	$ -	$ -	$ -	$ -
14	**Utility net income**		$1,185,616	($9,429,631)	($8,244,016)	$ -	($8,244,016)

Notes

Other Revenues / Revenue Offsets

Note						
(1)	Specific Service Charges	$75,000		$ -		$ -
	Late Payment Charges	$69,000		$ -		$ -
	Other Distribution Revenue	$ -		$ -		$ -
	Other Income and Deductions	$648,010		$ -		$ -
	Total Revenue Offsets	$792,010	$ -	$ -	$ -	$ -

[redacted]

[redacted]

Taxes/PILs

Line No.	Particulars	Application		Per Board Decision
	Determination of Taxable Income			
1	Utility net income before taxes	$1,185,616	$ -	$ -
2	Adjustments required to arrive at taxable utility income	($1,185,616)	$ -	$ -
3	Taxable income	$ -	$ -	$ -
	Calculation of Utility income Taxes			
4	Income taxes	$ -	$ -	$ -
6	Total taxes	$ -	$ -	$ -
7	Gross-up of Income Taxes	$ -	$ -	$ -
8	Grossed-up Income Taxes	$ -	$ -	$ -
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$ -	$ -	$ -
10	Other tax Credits	$ -	$ -	$ -
	Tax Rates			
11	Federal tax (%)	0.00%	0.00%	0.00%
12	Provincial tax (%)	0.00%	0.00%	0.00%
13	Total tax rate (%)	0.00%	0.00%	0.00%

Notes

[redacted]

Revenue Requirement Workform (RRWF) for 2022 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	56.00%	$19,166,996	3.98%	$762,846
2	Short-term Debt	4.00%	$1,369,071	1.17%	$16,018
3	**Total Debt**	60.00%	$20,536,067	3.79%	$778,865
	Equity				
4	Common Equity	40.00%	$13,690,711	8.66%	$1,185,616
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$13,690,711	8.66%	$1,185,616
7	**Total**	100.00%	$34,226,778	5.74%	$1,964,480

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	($)	(%)	($)
	Debt				
1	Long-term Debt	0.00%	$ -	0.00%	$ -
2	Short-term Debt	0.00%	$ -	0.00%	$ -
3	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
4	Common Equity	0.00%	$ -	0.00%	$ -
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	0.00%	$ -	0.00%	$ -
7	**Total**	0.00%	$31,105,137	0.00%	$ -

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Per Board Decision			
		(%)	($)	(%)	($)
	Debt				
8	Long-term Debt	0.00%	$ -	3.98%	$ -
9	Short-term Debt	0.00%	$ -	1.17%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	8.66%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$31,105,137	0.00%	$ -

Notes

[redacted]

[redacted]

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application: At Current Approved Rates	Initial Application: At Proposed Rates	At Current Approved Rates	At Proposed Rates	Per Board Decision: At Current Approved Rates	Per Board Decision: At Proposed Rates
1	Revenue Deficiency from Below		$1,207,078		$34,607		$8,244,016
2	Distribution Revenue	$8,209,408	$8,209,408	$8,209,408	$9,381,878	$ -	($8,244,016)
3	Other Operating Revenue Offsets - net	$792,010	$792,010	$ -	$ -	$ -	$ -
4	**Total Revenue**	$9,001,418	$10,208,496	$8,209,408	$9,416,486	$ -	$ -
5	Operating Expenses	$8,244,016	$8,244,016	$8,244,016	$8,244,016	$8,244,016	$8,244,016
6	Deemed Interest Expense	$778,865	$778,865	$ -	$ -	$ -	$ -
8	**Total Cost and Expenses**	$9,022,880	$9,022,880	$8,244,016	$8,244,016	$8,244,016	$8,244,016
9	**Utility Income Before Income Taxes**	($21,462)	$1,185,616	($34,607)	$1,172,470	($8,244,016)	($8,244,016)
10	Tax Adjustments to Accounting Income per 2013 PILs model	($1,185,616)	($1,185,616)	($1,185,616)	($1,185,616)	$ -	$ -
11	**Taxable Income**	($1,207,078)	$ -	($1,220,223)	($13,145)	($8,244,016)	($8,244,016)
12	Income Tax Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	**Income Tax on Taxable Income**	$ -	$ -	$ -	$ -	$ -	$ -
14	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -
15	**Utility Net Income**	($21,462)	$1,185,616	($34,607)	($8,244,016)	($8,244,016)	($8,244,016)
16	**Utility Rate Base**	$34,226,778	$34,226,778	$31,105,137	$31,105,137	$31,105,137	$31,105,137
17	Deemed Equity Portion of Rate Base	$13,690,711	$13,690,711	$ -	$ -	$ -	$ -
18	Income/(Equity Portion of Rate Base)	-0.16%	8.66%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	8.66%	8.66%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-8.82%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	2.21%	5.74%	-0.11%	0.00%	-26.50%	0.00%
22	Requested Rate of Return on Rate Base	5.74%	5.74%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-3.53%	0.00%	-0.11%	0.00%	-26.50%	0.00%
24	Target Return on Equity	$1,185,616	$1,185,616	$ -	$ -	$ -	$ -
25	Revenue Deficiency/(Sufficiency)	$1,207,078	$ -	$34,607	$ -	$8,244,016	$ -
26	**Gross Revenue Deficiency/(Sufficiency)**	$1,207,078 (1)		$34,607 (1)		$8,244,016 (1)	

Notes:

(1) Revenue Deficiency/Sufficiency divided by (1 - Tax Rate)

[redacted]

Revenue Requirement Workform (RRWF) for 2022 Filers

Revenue Requirement

Line No.	Particulars	Application			Per Board Decision	
1	OM&A Expenses	$6,530,315		$6,530,315	$6,530,315	
2	Amortization/Depreciation	$1,688,100		$1,688,100	$1,688,100	
3	Property Taxes	$ -				
5	Income Taxes (Grossed up)	$ -		$ -	$ -	
6	Other Expenses	$25,600		$25,600	$25,600	
7	Return					
	Deemed Interest Expense	$778,865		$ -	$ -	
	Return on Deemed Equity	$1,185,616		$ -	$ -	
8	**Service Revenue Requirement (before Revenues)**	$10,208,496		$8,244,016	$8,244,016	
9	Revenue Offsets	$792,010		$ -	$ -	
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$9,416,486		$8,244,016	$8,244,016	
11	Distribution revenue	$9,416,486		$ -	$ -	
12	Other revenue	$792,010		$ -	$ -	
13	**Total revenue**	$10,208,496		$ -	$ -	
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ -	(1)	($8,244,016) (1)	($8,244,016)	(1)

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application		Δ% (2)	Per Board Decision	Δ% (2)
Service Revenue Requirement	$10,208,496	$8,244,016	#####	$8,244,016	#####
Grossed-Up Revenue Deficiency/(Sufficiency)	$1,207,078	$34,607	#####	$8,244,016	#####
Base Revenue Requirement (to be recovered from Distribution Rates)	$9,416,486	$8,244,016	#####	$8,244,016	#####
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	$1,207,078	$ -	#####	$ -	#####

Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application

[redacted]

[redacted]

Load Forecast Summary

This spreadsheet provides a summary of the customer and load forecast on which the test year revenue requirement is derived. The amounts serve as the denominators for deriving the rates to recover the test year revenue requirement for purposes of this RRWF.

The information to be input is inclusive of any adjustments to kWh and kW to reflect the impacts of CDM programs up to and including CDM programs planned to be executed in the test year. i.e., the load forecast adjustments determined in **Appendix 2-I** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-IB** and in Exhibit 3 of the application.

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth andf trends from historical actuals to the Bridge and Test Year forecasts.

Stage in Process: Initial Application

	Customer Class	**Initial Application**						**Per Board Decision**		
	Input the name of each customer class.	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [1] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [1] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [1] Annual
1	Residential	17,012	137,646,072							
2	GS<50kW	1,833	44,991,441							
3	GS>50kW	127		325,120						
4	Streetlighting	3,318		3,496						
5	USL	30	396,233							
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										
17										
18										
19										
20										
	Total		**183,033,746**	**328,616**		**-**	**-**		**-**	**-**

Notes:

[1] Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)

[redacted]

[redacted]

Cost Allocation and Rate Design

This spreadsheet replaces **Appendix 2-P** and provides a summary of the results from the Cost Allocation spreadsheet, and is used in the determination of the class revenue requirement and, hence, ultimately, the determination of rates from customers in all classes to recover the revenue requirement.

Stage in Application Process: ***Initial Application***

A) Allocated Costs

	Name of Customer Class [3] From Sheet 10. Load Forecast	Costs Allocated from Previous Study [1]	%	Allocated Class Revenue Requirement [1] (7A)	%
1	Residential	$ 5,552,711	68.76%	$ 7,046,357	69.02%
2	GS<50kW	$ 1,192,782	14.77%	$ 1,419,671	13.91%
3	GS>50kW	$ 1,104,816	13.68%	$ 1,638,652	16.05%
4	Streetlighting	$ 219,370	2.72%	$ 95,464	0.94%
5	USL	$ 5,432	0.07%	$ 8,351	0.08%
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	$ 8,075,110	100.00%	**$ 10,208,496**	100.00%
			Service Revenue Requirement (from Sheet 9)	**$ 10,208,495.72**	

(1) Class Allocated Revenue Requirement, from Sheet O-1, Revenue to Cost || RR, row 40, from the Cost Allocation Study in this application. This excludes costs in deferral and variance accounts. For Embedded Distributors, Account 4750 - Low Voltage (LV) Costs are also excluded.

(2) Host Distributors - Provide information on any embedded distributor(s) as a separate class, if applicable. If embedded distributors are billed in a General Service class, include the allocated costs and revenues of the embedded distributor(s) in the applicable class, and also complete Appendix 2-Q.

(3) Customer Classes - If these differ from those in place in the previous cost allocation study, modify the customer classes to match the proposal in the current application as closely as possible.

B) Calculated Class Revenues

	Name of Customer Class	Load Forecast (LF) X current approved rates (7B)	LF X current approved rates X (1+d) (7C)	LF X Proposed Rates (7D)	Miscellaneous Revenues (7E)
1	Residential	$ 5,560,750	$ 6,378,380	$ 6,417,084	$ 574,291
2	GS<50kW	$ 1,195,726	$ 1,371,541	$ 1,371,541	$ 96,871
3	GS>50kW	$ 1,228,297	$ 1,408,900	$ 1,520,230	$ 105,636
4	Streetlighting	$ 219,204	$ 251,434	$ 100,018	$ 14,539
5	USL	$ 5,432	$ 6,231	$ 7,613	$ 673
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	$ 8,209,408	$ 9,416,486	$ 9,416,486	$ 792,010

(4) In columns 7B to 7D, LF means Load Forecast of Annual Billing Quantities (i.e., customers or connections, as applicable X 12 months, and kWh, kW or kVA as applicable. Revenue quantities should be net of the Transformer Ownership Allowance for applicable customer classes. Exclude revenues from rate adders and rate riders.

(5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.

(6) Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.

(7) Column 7E - If using the OEB-issued cost allocation model, enter Miscellaneous Revenues as it appears on worksheet O-1, row 19,

C) Rebalancing Revenue-to-Cost Ratios

	Name of Customer Class	Previously Approved Ratios Most Recent Year: 2013 %	Status Quo Ratios (7C + 7E) / (7A) %	Proposed Ratios (7D + 7E) / (7A) %	Policy Range %
1	Residential	101.90%	98.67%	99.22%	85 - 115
2	GS<50kW	94.10%	103.43%	103.43%	80 - 120
3	GS>50kW	95.90%	92.43%	99.22%	80 - 120
4	Streetlighting	120.00%	278.61%	120.00%	80 - 120
5	USL	120.00%	82.67%	99.22%	80 - 120
6					
7					
8					
9					
10					
11					
12					
13					
14					
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16					
17					
18					
19					
20					

(8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2012 with further adjustments to move within the range over two years, the Most Recent Year would be 2015. However, the ratios in 2015 would be equal to those after the adjustment in 2014.

(9) Status Quo Ratios - The OEB-issued cost allocation model provides the Status Quo Ratios on Worksheet O-1. The Status Quo means "Before Rebalancing".

(10) Ratios shown in red are outside of the allowed range. Applies to both Tables C and D.

(D) Proposed Revenue-to-Cost Ratios (11)

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2022	2023	2024	
1	Residential	99.22%	99.22%	99.22%	85 - 115
2	GS<50kW	103.43%	103.43%	103.43%	80 - 120
3	GS>50kW	99.22%	99.22%	99.22%	80 - 120
4	Streetlighting	120.00%	120.00%	120.00%	80 - 120
5	USL	99.22%	99.22%	99.22%	80 - 120
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2021 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2022 and 2023 Price Cap IR models, as necessary. For 2022 and 2023, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2019 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

[redacted]

[redacted]

Rate Design and Revenue Reconciliation

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard monthly and voluemtric rates based on the allocated class revenues and fixed/variable split resulting from the cost allocation study and rate design and as proposed by the applicant. However, the RRWF does not replace the rate generator model that an applicant distributor may use in support of its application. The RRWF provides a demonstrative check on the derivation of the revenue requirement and on the proposed base distribution rates to recover the revenue requirement, based on summary information from a more detailed rate generator model and other models that applicants use for cost allocation, load forecasting, taxes/PILs, etc.

Stage in Process: *Initial Application*

	Customer and Load Forecast					Class Allocated Revenues (From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design)			Fixed / Variable Splits [2] (Percentage to be entered as a fraction between 0 and 1)		
	Customer Class (From sheet 10. Load Forecast)	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable	Transformer Ownership Allowance [1] ($)
1	Residential	kWh	17,012	137,646,072	-	$ 6,417,084	$ 6,417,084	$ -	100.00%	0.00%	
2	GS<50kW	kWh	1,833	44,991,441	-	$ 1,371,541	$ 581,910	$ 789,631	42.43%	57.57%	
3	GS>50kW	kW	127	-	325,120	$ 1,520,230	$ 167,501	$ 1,352,729	11.02%	88.98%	$ 111,000
4	Streetlighting	kW	3,318	-	3,496	$ 100,018	$ 77,234	$ 22,784	77.22%	22.78%	
5	USL	kWh	30	396,233	-	$ 7,613	$ 281	$ 7,332	3.69%	96.31%	
6			-	-	-						
7			-	-	-						
8			-	-	-						
9			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						
#			-	-	-						

Total Transformer Ownership Allowance $ 111,000

	Distribution Rates					Revenue Reconciliation		
	Monthly Service Charge		Volumetric Rate					
	Rate	No. of decimals	Rate		No. of decimals	MSC Revenues	Volumetric revenues	Distribution Revenues less Transformer Ownership
1	$31.43	2	$0.0000	/kWh	4	$ 6,416,092.89	$ -	$ 6,416,092.89
2	$26.46		$0.0176	/kWh		$ 581,910.09	$ 791,849.3636	$ 1,373,759.45
3	$110.21		$4.5021	/kW		$ 167,500.65	$ 1,463,720.9583	$ 1,520,221.61
4	$1.94		$6.5168	/kW		$ 77,233.81	$ 22,784.2570	$ 100,018.07
5	$0.78		$0.0185	/kWh		$ 280.80	$ 7,330.3156	$ 7,611.12
6						$ -	$ -	$ -
7						$ -	$ -	$ -
8						$ -	$ -	$ -
9						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -
#						$ -	$ -	$ -

	Total Distribution Revenues	$ 9,417,703.14
Rates recover revenue requirement	**Base Revenue Requirement**	$ 9,416,485.72
	Difference	$ 1,217.42
	% Difference	0.013%

Notes:

[1] Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

[2] The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRWF. Only the "fixed" fraction is entered, as the sum of the "fixed" and "variable" portions must sum to 100%. For a distributor that may set the Monthly Service Charge, the "fixed" ratio is calcutated as: [MSC x (average number of customers or connections) x 12 months] / (Class Allocated Revenue Requirement).

APPENDIX B – PILS Workform

[redacted]

Income Tax/PILs Workform for 2022 Filers

Version **1.00**

Utility Name	EPCOR Electricity Distribution Ontario Inc.
Assigned EB Number	2022-0028
Name and Title	Tim Hesselink, Senior Manager Regulatory
Phone Number	705-445-1800. Ext 2274
Email Address	thesselink@epcor.com
Date	27-May-22
Last COS Re-based Year	**2013**

Note: Drop-down lists are shaded blue; Input cells are shaded green.

Instructions

Purpose
The purpose of this workbook is to calculate the estimated Payment in Lieu of Taxes (PILs) for the Test Year. The calculation of PILs for the Test Year is on tab T0 and is based on the inputs on the other tabs.

Tab S Summary is a summary of the amounts to be transferred to the Data Input Sheet of the Revenue Requirement Workform.

Tab S1 Integrity Checks must be completed after the completion of the PILs calculation in this workbook.

Methodology
To calculate the PILs for the Test Year:

1) input the balances from the income tax return of the Historical Year in tabs H1 to H13.
2) input the balances for the Bridge Year and the Test Year.
Inputs should include:
- non-deductible expenses (Schedule 1 - B1 and T1)
- loss carryforward (Schedule 4 - B4 and T4)
- capital cost allowance (Schedule 8 - B8 and T8)
- non-deductible reserves (Schedule 13 - B13 and T13)

3) make any other adjustments and inputs required so that the PILs amount calculated for the Test Year on tab T0 is reasonable.

Other Notes
Tabs H0 to H13 relate to the Historical Year.
Tabs B0 to B13 relate to the Bridge Year.
Tabs T0 to T13 relate to the Test Year.

The amounts on tabs H0 to H13 should agree to the tax return filed with the Canada Revenue Agency. Any CRA audit adjustments or corrections should also be reflected.

It is assumed the net income before tax for the Test Year is equal to the Return on Equity. Return on Equity is calculated on tab A.

On tab "A. Data Input Sheet", input the "Rate Base" amount and "Return on Rate Base" amounts.

[redacted]

Income Tax/PILs Workform for 2022 Filers

1. Info
S. Summary
A. Data Input Sheet
B. Tax Rates & Exemptions

Historical Year
H0 - PILs, Tax Provision Historical Year
H1 - Adj. Taxable Income Historical Year
H4 - Schedule 4 Loss Carry Forward Historical Year
H8 - Schedule 8 Historical
H13 - Schedule 13 Tax Reserves Historical

Bridge Year
B0 - PILs,Tax Provision Bridge Year
B1 - Adj. Taxable Income Bridge Year
B4 - Schedule 4 Loss Carry Forward Bridge Year
B8 - Schedule 8 CCA Bridge Year
B13 - Schedule 13 Tax Reserves Bridge Year

Test Year
T0 PILs, Tax Provision Test Year
T1 Taxable Income Test Year
T4 Schedule 4 Loss Carry Forward Test Year
T8 Schedule 8 CCA Test Year
T13 Schedule 13 Reserve Test Year

[redacted]

Income Tax/PILs Workform for 2022 Filers

No inputs required on this worksheet.

Income Tax/PILs Workform for 2022 Filers

Integrity Checks

The applicant must ensure the following integrity checks have been completed and confirm this is the case in the table below, or provide an explanation if this is not the case:

	Item	Utility Confirmation (Y/N)	Notes
1	The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application	Yes	
2	The capital additions and deductions in the CCA Schedule 8 agree with the rate base section for historical, bridge and test years	Yes	
3	Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31 historical year UCC that agrees with the opening (January 1) bridge year UCC. If the amounts do not agree, then the applicant must provide a reconciliation with explanations. Distributors must segregate non-distribution tax amounts on Schedule 8.	No	The income tax return has not yet been filed for 2021. It is due June 30, 2022.
4	The CCA deductions in the application's PILs tax model for historical, bridge and test years (as applicable) agree with the numbers in the CCA Schedule 8 for the same years filed in the application	Yes	
5	Loss carry-forwards, if any, from prior year tax returns' Schedule 4 agree with those disclosed in the application	No	The income tax return has not yet been filed for 2021. It is due June 30, 2022.
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	Yes	Please see Exhibit 4, Section 4.6.1 PILs.
7	CCA is maximized even if there are tax loss carry-forwards	Yes	There have been no restrictions to CCA claims in any tax year.
8	Other post-employment benefits and pension expenses that are added back on Schedule 1 to reconcile accounting income to net income for tax purposes agree with the OM&A analysis for compensation. The amounts deducted are reasonable when compared with the notes to the audited financial statements, Financial Services Commission of Ontario reports, and actuarial valuations.	Yes	The Schedule 1 adjustment for 2023 represents the net change in the post-employment benefit liability as projected in the actuarial valuation for 2022
9	The income tax rate used to calculate the tax expense is consistent with the utility's actual tax facts and evidence filed in the application	Yes	

[redacted]

Income Tax/PILs Workform for 2022 Filers

			Test Year	Bridge Year	
Rate Base		S	**$ 34,226,778**	**$ 33,325,206**	

Return on Ratebase

			Test Year		
Deemed ShortTerm Debt %	4.00%	T	$ 1,369,071	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$ 19,166,996	*X = S * U*	
Deemed Equity %	40.00%	V	$ 13,690,711	*Y = S * V*	
Short Term Interest Rate	1.17%	Z	$ 16,018	*AC = W * Z*	
Long Term Interest	3.98%	AA	$ 762,846	*AD = X * AA*	
Return on Equity (Regulatory Income)	8.66%	AB	**$ 1,185,616**	*AE = Y * AB*	T1
Return on Rate Base			**$ 1,964,480**	*AF = AC + AD + AE*	

Questions that must be answered

	Historical Year	Bridge Year	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	Yes	Yes	Yes
5. Does the applicant have any Loss Carry-Forwards (non-capital or net capital)?	Yes	Yes	Yes
6. Since 1999, has the applicant acquired another regulated applicant's assets?	No	No	No
7. Did the applicant pay dividends? *If Yes, please describe the tax treatment in the manager's summary.*	No	No	No
8. Did the applicant elect to capitalize interest incurred on CWIP for tax purposes?	No	No	No

[redacted]

Income Tax/PILs Workform for 2022 Filers

Tax Rates **Federal & Provincial** **As of MMM XX, 2019**	**Effective January 1, 2016**	**Effective January 1, 2017**	**Effective January 1, 2018**	**Effective January 1, 2019**	**Effective January 1, 2020**	**Effective January 1, 2021**
Federal income tax						
General Corporate Rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal Tax Abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted Federal Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate Reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario Income Tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined Federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business						
Federal Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000
Federal Small Business Rate	11.00%	10.50%	10.50%	10.00%	9.00%	9.00%
Ontario Small Business Rate	4.50%	4.50%	3.50%	3.50%	3.20%	3.20%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. Regarding the small business deduction, if applicable,
   a. If taxable capital exceeds $15 million, the small business rate will not be applicable.
   b. If taxable capital is below $10 million, the small business rate would be applicable.
   c. If taxable capital is between $10 million and $15 million, the appropriate small business rate will be calculated.

[redacted]

Income Tax/PILs Workform for 2022 Filers

PILs Tax Provision - Historical Year

Note: Input the actual information from the tax returns for the historical year.

					Wires Only	
Regulatory Taxable Income				H1	-$ 181,710	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**D = B+C**
Total Income Taxes					**-$ 48,153**	**E = A * D**
Investment Tax Credits						**F**
Miscellaneous Tax Credits						**G**
Total Tax Credits					**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ -**	**I = E - H**

[redacted]

Income Tax/PILs Workform for 2022 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	(A + 101 + 102)	459,533		459,533
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	1,175,311		1,175,311
Amortization of intangible assets	106	56,559		56,559
Recapture of capital cost allowance from Schedule 8	107			0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations and gifts from Schedule 2	112			0
Taxable capital gains from Schedule 6	113			0
Political contributions	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	2,069		2,069
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements – balance at the end of the year	126			0
Soft costs on construction and renovation of buildings	127			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227	1,403		1,403
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other additions				
Interest Expensed on Capital Leases	295	54,913		54,913
Realized Income from Deferred Credit Accounts	295			0
Pensions	295			0
Non-deductible penalties	295			0
	295			0
	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
End of Yr. Employee future benefits (Non Current Provisions)		885,798		885,798
Vehicle Burden Amortization		270,572		270,572
Right of Use Asset Amortization		171,930		171,930
				0
				0
				0
				0
				0
				0
				0
Total Additions		**2,618,555**	**0**	**2,618,555**
Deductions:				
Gain on disposal of assets per financial statements	401	9,272		9,272
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403	1,868,250		1,868,250
Terminal loss from Schedule 8	404			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414			0
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions				
Interest capitalized for accounting deducted for tax	395			0
Capital Lease Payments	395	200,165		200,165
Non-taxable imputed interest income on deferral and variance accounts	395			0
	395			0
	395			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
Beg. of Yr. Employee future benefits (Non Current Provisions)		876,311		876,311
Amortization of Contributions from Customers		145,047		145,047
Vehicle Burden Adjustment and Other		160,753		160,753
				0
				0
				0
				0
				0
Total Deductions		**3,259,798**	**0**	**3,259,798**
Net Income for Tax Purposes		**-181,710**	**0**	**-181,710**
Charitable donations from Schedule 2	311			0
Taxable dividends received under section 112 or 113	320			0
Non-capital losses of previous tax years from Schedule 4	331			0
Net capital losses of previous tax years from Schedule 4	332			0
Limited partnership losses of previous tax years from Schedule 4	335			0
TAXABLE INCOME		**-181,710**	**0**	**-181,710**

[redacted]

Income Tax/PILs Workform for 2022 Filers

Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical	3,199,593	1,266,169	1,933,424	B4

Net Capital Loss Carry Forward Deduction	Total	Non-Distribution Portion	Utility Balance	
Actual Historical			0	B4

[redacted]

Income Tax/PILs Workform for 2022 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year
1	Buildings, Distribution System (acq'd post 1987)	$ 4,857,991		$ 4,857,991
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]			$ -
2	Distribution System (acq'd pre 1988)			$ -
3	Buildings (acq'd pre 1988)			$ -
6	Certain Buildings; Fences			$ -
8	General Office Equipment, Furniture, Fixtures	$ 219,381		$ 219,381
10	Motor Vehicles, Fleet	$ 262,610		$ 262,610
10.1	Certain Automobiles			$ -
12	Computer Application Software (Non-Systems)	$ 35,711		$ 35,711
13 $_1$	Lease # 1			$ -
13 $_2$	Lease # 2			$ -
13 $_3$	Lease # 3			$ -
13 $_4$	Lease # 4			$ -
14	Limited Period Patents, Franchises, Concessions or Licences			$ -
14.1	Eligible Capital Property (acq'd pre 2017)	$ 263,867		$ 263,867
14.1	Eligible Capital Property (acq'd post 2016)			$ -
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage			$ -
42	Fibre Optic Cable			$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)			$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			$ -
47	Distribution System (acq'd post Feb 22/05)	$ 14,549,684		$ 14,549,684
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	$ 169,504		$ 169,504
95	CWIP	$ 2,739,427		$ 2,739,427
47	Smart Meters	$ 1,954,028		$ 1,954,028
	Land	$ 349,662		$ 349,662
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
	SUB-TOTAL - UCC	**25,401,864**	**0**	**25,401,864**

[redacted]

Income Tax/PILs Workform for 2

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only
Capital gains reserves ss.40(1)			0
Tax reserves not deducted for accounting purposes			
Reserve for doubtful accounts ss. 20(1)(l)			0
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
Total	**0**	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:			0
- Medical and Life Insurance			0
-Short & Long-term Disability			0
-Accmulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other	885,798		885,798
			0
			0
Total	**885,798**	**0**	**885,798**

[redacted]

Income Tax/PILs Workform for 2022 Filers

PILS Tax Provision - Bridge Year

						Reference	Wires Only	
Regulatory Taxable Income						B1	-$ 747,282	**A**
	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate				
Ontario (Max 11.5%)	11.5%	11.5%	-$ 85,937	11.5%	**B**			
Federal (Max 15%)	15.0%	15.0%	-$ 112,092	15.0%	**C**			
Combined effective tax rate (Max 26.5%)							26.50%	**D = B + C**
Total Income Taxes							$ -	**E = A * D**
Investment Tax Credits								**F**
Miscellaneous Tax Credits								**G**
Total Tax Credits							$ -	**H = F + G**
Corporate PILs/Income Tax Provision for Bridge Year							$ -	**I = E - H**

Note:

1. This is for the derivation of Bridge year PILs income tax expense and should not be used for Test year revenue requirement calculations.

[redacted]

Income Tax/PILs Workform for 2022 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		16,921
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		1,282,677
Amortization of intangible assets	106		59,702
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(iii)	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations and gifts from Schedule 2	112		
Taxable capital gains	113		
Political contributions	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		2,069
Non-deductible automobile expenses	122		
Non-deductible life insurance	123		
Non-deductible company pension	124		
Tax reserves deducted in prior year	125	B13	0
Reserves from financial statements- balance at end of year	126	B13	869,491
Soft costs on construction and renovation of buildings	127		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	295		52,186
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Vehicle Burden Amortization			302,982
Right of Use Asset Amortization			171,830
Total Additions			**2,740,937**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section	402		
Capital cost allowance from Schedule	403	B8	2,014,731
Terminal loss from Schedule 8	404	B8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	0
Reserves from financial statements - balance at beginning of year	414	B13	885,798
Contributions to deferred income	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions			
Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		207,481
Non-taxable imputed interest income on deferral and variance accounts	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m)			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Amortization of Contributions from Customers			172,924
Vehicle Burden Adjustment			224,206
Total Deductions		calculated	**3,505,140**
Net Income for Tax Purposes		calculated	**-747,282**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	B4	0
Net capital losses of previous tax years from Schedule 4	332	B4	0
Limited partnership losses of previous tax years from Schedule 4	335		
TAXABLE INCOME		calculated	**-747,282**

[redacted]

Income Tax/PILs Workform for 2022 Filers

Corporation Loss Continuity and Application

Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	1,933,424	
Amount to be used in Bridge Year	B1	0	
Loss Carry Forward Generated in Bridge Year (if any)	B1	747,282	
Other Adjustments			
Balance available for use post Bridge Year	calculated	2,680,706	T4

Net Capital Loss Carry Forward Deduction		**Total**	
Actual Historical	H4	0	
Amount to be used in Bridge Year			
Loss Carry Forward Generated in Bridge Year (if any)	B1		
Other Adjustments			
Balance available for use post Bridge Year	calculated	0	T4

[redacted]

Income Tax/PILs Workform for 2022 Filers

Schedule 8 CCA - Bridge Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the bridge year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) UCC (column 2 plus column 3 plus or minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	(11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	Relevant factor	(12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0")	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)		(18) UCC at the end of the bridge year (column 9 minus column 17)	Working Paper Reference
1	Buildings, Distribution System (acq'd post 1987)	H8	$ 4,857,991							$ 4,857,991	$ -	$ -	0.50	$ -	$ -	4%			$ 194,320		$ 4,663,672	T8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	6%			$ -		$ -	T8
2	Distribution System (acq'd pre 1988)	H8	$ -							$ -	$ -	$ -		$ -	$ -	6%			$ -		$ -	T8
3	Buildings (acq'd pre 1988)	H8	$ -							$ -	$ -	$ -		$ -	$ -	5%			$ -		$ -	T8
6	Certain Buildings; Fences	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	10%			$ -		$ -	T8
8	General Office Equipment, Furniture, Fixtures	H8	$ 219,381	59,171		-2,443				$ 276,109	$ -	$ -	0.50	$ -	$ 29,586	20%			$ 49,305		$ 226,804	T8
10	Motor Vehicles, Fleet	H8	$ 262,610	719,581		-29,711				$ 952,480	$ -	$ -	0.50	$ -	$ 359,790	30%			$ 177,807		$ 774,673	T8
10.1	Certain Automobiles	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -	T8
12	Computer Application Software (Non-Systems)	H8	$ 35,711	43,338		-1,789				$ 77,260	$ -	$ -	0.00	$ -	$ 21,669	100%			$ 55,591		$ 21,669	T8
13 1	Lease # 1	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13 2	Lease # 2	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13 3	Lease # 3	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
13 4	Lease # 4	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
14	Limited Period Patents, Franchises, Concessions or Licences	H8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -	T8
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	H8	$ 263,867							$ 263,867	$ -	$ -		$ -	$ -	7%			$ 18,471		$ 245,396	T8
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	5%			$ -		$ -	T8
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	8%			$ -		$ -	T8
42	Fibre Optic Cable	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	12%			$ -		$ -	T8
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -							$ -	$ -	$ -	2.33	$ -	$ -	30%			$ -		$ -	T8
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	H8	$ -							$ -	$ -	$ -	1.00	$ -	$ -	50%			$ -		$ -	T8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	H8	$ -							$ -	$ -	$ -		$ -	$ -	45%			$ -		$ -	T8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	H8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -	T8
47	Distribution System (acq'd post Feb 22/05)	H8	$ 14,549,684	4,195,690		-1,565,064				$ 17,180,310	$ -	$ -	0.50	$ -	$ 2,097,845	8%			$ 1,206,597		$ 15,973,712	T8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	H8	$ 169,504	222,437		-9,184				$ 382,756	$ -	$ -	0.50	$ -	$ 111,218	55%			$ 149,346		$ 233,411	T8
95	CWIP	H8	$ 2,739,427			-1,762,756				$ 976,671	$ -	$ -	0.00	$ -	$ -	0%			$ -		$ 976,671	T8
47	Smart Meters	H8	$ 1,954,028	190,000		-7,845				$ 2,136,183	$ -	$ -		$ -	$ 95,000	8%			$ 163,295		$ 1,972,888	T8
	Land	H8	$ 349,662							$ 349,662	$ -	$ -		$ -	$ -						$ 349,662	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
		H8	$ -							$ -	$ -	$ -		$ -	$ -						$ -	T8
	TOTALS		$ 25,401,864	$ 5,430,217	$ -	-$ 3,378,792	$ -	$ -	$ -	$ 27,453,289	$ -	$ -		$ -	$ 2,715,109		$ -	$ -	$ 2,014,731	B1	$ 25,438,559	

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Income Tax/PILs Workform for 2022 Filers

Schedule 13 Tax Reserves - Bridge Year

Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance		Bridge Year Adjustments		Balance for Bridge Year		Change During the Year	Disallowed Expenses
						Additions	Disposals				
Capital gains reserves ss.40(1)	H13	0		0				0	T13	0	
Tax Reserves Not Deducted for Accounting Purposes											
Reserve for doubtful accounts ss. 20(1)(l)	H13	0		0				0	T13	0	
Reserve for goods and services not delivered ss. 20(1)(m)	H13	0		0				0	T13	0	
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0				0	T13	0	
Debt & share issue expenses ss. 20(1)(e)	H13	0		0				0	T13	0	
Other tax reserves	H13	0		0				0	T13	0	
		0		0				0		0	
		0		0				0		0	
Total		**0**	**0**	**0**	B1	**0**	**0**	**0**	B1	**0**	**0**
Financial statement reserves (not deductible for tax purposes)											
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0				0	T13	0	
General Reserve for Bad Debts	H13	0		0				0	T13	0	
Accrued Employee Future Benefits:	H13	0		0				0	T13	0	
- Medical and Life Insurance	H13	0		0				0	T13	0	
- Short & Long-term Disability	H13	0		0				0	T13	0	
- Accumulated Sick Leave	H13	0		0				0	T13	0	
- Termination Cost	H13	0		0				0	T13	0	
- Other Post-Employment Benefits	H13	0		0				0	T13	0	
Provision for Environmental Costs	H13	0		0				0	T13	0	
Restructuring Costs	H13	0		0				0	T13	0	
Accrued Contingent Litigation Costs	H13	0		0				0	T13	0	
Accrued Self-Insurance Costs	H13	0		0				0	T13	0	
Other Contingent Liabilities	H13	0		0				0	T13	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0				0	T13	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0				0	T13	0	
Other	H13	885,798		885,798		67,526	83,833	869,491	T13	-16,307	
		0		0				0		0	
		0		0				0		0	
Total		**885,798**	**0**	**885,798**	B1	**67,526**	**83,833**	**869,491**	B1	**-16,307**	**0**

[redacted]

Income Tax/PILs Workform for 2022 Filers

PILs Tax Provision - Test Year

			Wires Only	
Regulatory Taxable Income		T1	$ -	A

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	$ -	0.0%	B
Federal (Max 15%)	15.0%	15.0%	$ -	0.0%	C

			Wires Only		
Combined effective tax rate (Max 26.5%)			0.00%	D = B + C	
Total Income Taxes			$ -	E = A * D	
Investment Tax Credits				F	
Miscellaneous Tax Credits				G	
Total Tax Credits			$ -	H = F + G	
Corporate PILs/Income Tax Provision for Test Year			$ -	I = E - H	S. Su
Corporate PILs/Income Tax Provision Gross Up [1]	100.00%	J = 1-D	$ -	K = I/J-I	
Income Tax (grossed-up)			$ -	L = K + I	S. Su

Note:

1. This is for the derivation of revenue requirement and should not be used for sufficiency/deficiency calculations.

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Taxable Income - Test Year

	T2 S1 line #	Working Paper Reference	Test Year Taxable Income
Net Income Before Taxes		A.	1,185,616
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets *2-4 ADJUSTED ACCOUNTING DATA P489*	104		1,397,064
Amortization of intangible assets *2-4 ADJUSTED ACCOUNTING DATA P490*	106		119,207
Recapture of capital cost allowance from Schedule 8	107	T8	0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations	112		
Taxable Capital Gains	113		
Political Donations	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		2,069
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves beginning of year	125	T13	0
Reserves from financial statements- balance at end of year	126	T13	852,857
Soft costs on construction and renovation of buildings	127		
Book loss on joint ventures or partnerships	205		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		
Other Additions			
Interest Expensed on Capital Leases	295		45,799
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Vehicle Burden Amortization			356,391
Right of Use Asset Amortization			171,830
Total Additions			**2,945,217**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	2,478,301
Terminal loss from Schedule 8	404	T8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in	411		
Tax reserves end of year	413	T13	0
Reserves from financial statements - balance at beginning of year	414	T13	869,491
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or	306		
Other deductions			
Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		211,630
Non-taxable imputed interest income on deferral and variance accounts	395		
	395		
	395		
	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and			
Amortization of Contributions from Customers			204,069
Vehicle Burden Adjustment			263,729
Total Deductions		calculated	**4,027,220**
NET INCOME FOR TAX PURPOSES		calculated	**103,613**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	103,613
Net capital losses of previous tax years from Schedule 4	332	T4	0
Limited partnership losses of previous tax years from Schedule 4	335		
REGULATORY TAXABLE INCOME		calculated	**0**

T0

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Income Tax/PILs Workform for 2022 Filers

Schedule 4 Loss Carry Forward - Test Year

Corporation Loss Continuity and Application

Non-Capital Loss Carry Forward Deduction	**Working Paper Reference**	**Total**	**Non-Distribution Portion**	**Utility Balance**
Actual/Estimated Bridge Year Carried Forward	B4	2,680,706		2,680,706
Amount to be used in Test Year and Price Cap Years	T1	103,613		103,613
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	calculated	103,613		103,613
Loss Carry Forward Generated in Test Year (if any)	T1	0		0
Other Adjustments				0
Balance available for use in Future Years	calculated	2,577,092		2,577,092

Net Capital Loss Carry Forward Deduction		**Total**	**Non-Distribution Portion**	**Utility Balance**
Actual/Estimated Bridge Year Carried Forward	B4	0		0
Amount to be used in Test Year and Price Cap Years				0
Number of years loss until next cost of service (i.e. years the loss is to be spread over)				
Amount to be used in Test Year	T1	0		0
Loss Carry Forward Generated in Test Year (if any)				0
Other Adjustments				0
Balance available for use in Future Years		0		0

[redacted]

Income Tax/PILs Workform for 2022 Filers

Schedule 8 CCA - Test Year

(1) Class	Class Description	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the test year	(3) Cost of acquisitions during the year (new property must be available for use, except CWIP)	(4) Cost of acquisitions from column 3 that are accelerated investment incentive property (AIIP)	(5) Adjustments and transfers (enter amounts that will reduce the UCC as negatives)	(6) Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition	(7) Amount from column 5 that is repaid during the year for a property, subsequent to its disposition	(8) Proceeds of dispositions	(9) UCC (column 2 plus column 3 plus or minus column 5 minus column 8)	(10) Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	(11) Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	Relevant factor	(12) UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor)	(13) UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0")	(14) CCA Rate %	(15) Recapture of CCA	(16) Terminal Loss	(17) CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14)		(18) UCC at the end of the test year (column 9 minus column 17)
1	Buildings, Distribution System (acq'd post 1987)	B8	$ 4,663,672							$ 4,663,672	$ -	$ -	0.50	$ -	$ -	4%			$ 186,547		$ 4,477,125
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	B8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	6%			$ -		$ -
2	Distribution System (acq'd pre 1988)	B8	$ -							$ -	$ -	$ -		$ -	$ -	6%			$ -		$ -
3	Buildings (acq'd pre 1988)	B8	$ -							$ -	$ -	$ -		$ -	$ -	5%			$ -		$ -
6	Certain Buildings; Fences	B8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	10%			$ -		$ -
8	General Office Equipment, Furniture, Fixtures	B8	$ 226,804							$ 226,804	$ -	$ -	0.50	$ -	$ -	20%			$ 45,361		$ 181,443
10	Motor Vehicles, Fleet	B8	$ 774,673	210,000		-11,018				$ 973,655	$ -	$ -	0.50	$ -	$ 105,000	30%			$ 260,597		$ 713,059
10.1	Certain Automobiles	B8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -
12	Computer Application Software (Non-Systems)	B8	$ 21,669	573,602		-30,096				$ 565,176	$ -	$ -	0.00	$ -	$ 286,801	100%			$ 278,375		$ 286,801
13_1	Lease # 1	B8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
13_2	Lease # 2	B8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
13_3	Lease # 3	B8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
13_4	Lease # 4	B8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
14	Limited Period Patents, Franchises, Concessions or Licences	B8	$ -							$ -	$ -	$ -	0.00	$ -	$ -	NA					$ -
14.1	Eligible Capital Property (acq'd pre Jan 1, 2017)	B8	$ 245,396							$ 245,396	$ -	$ -		$ -	$ -	7%			$ 17,178		$ 228,219
14.1	Eligible Capital Property (acq'd post Jan 1, 2017)	B8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	5%			$ -		$ -
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage	B8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	8%			$ -		$ -
42	Fibre Optic Cable	B8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	12%			$ -		$ -
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	$ -							$ -	$ -	$ -	2.33	$ -	$ -	30%			$ -		$ -
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment	B8	$ -							$ -	$ -	$ -	1.00	$ -	$ -	50%			$ -		$ -
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	B8	$ -							$ -	$ -	$ -		$ -	$ -	45%			$ -		$ -
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	B8	$ -							$ -	$ -	$ -	0.50	$ -	$ -	30%			$ -		$ -
47	Distribution System (acq'd post Feb 22/05)	B8	$ 15,973,712	3,709,630		-925,308				$ 18,758,035	$ -	$ -	0.50	$ -	$ 1,854,815	8%			$ 1,352,258		$ 17,405,777
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	B8	$ 233,411	155,400		-8,153				$ 380,657	$ -	$ -	0.50	$ -	$ 77,700	55%			$ 166,626		$ 214,031
95	CWIP	B8	$ 976,671							$ 976,671	$ -	$ -	0.00	$ -	$ -	0%			$ -		$ 976,671
47	Smart Meters	B8	$ 1,972,888	377,878		-19,826				$ 2,330,940	$ -	$ -		$ -	$ 188,939	8%			$ 171,360		$ 2,159,580
	Land	B8	$ 349,662							$ 349,662	$ -	$ -		$ -	$ -						$ 349,662
		B8	$ -							$ -	$ -	$ -		$ -	$ -						$ -
		B8	$ -							$ -	$ -	$ -		$ -	$ -						$ -
		B8	$ -							$ -	$ -	$ -		$ -	$ -						$ -
		B8	$ -							$ -	$ -	$ -		$ -	$ -						$ -
		B8	$ -							$ -	$ -	$ -		$ -	$ -						$ -
		B8	$ -							$ -	$ -	$ -		$ -	$ -						$ -
	TOTALS		$ 25,438,559	$ 5,026,510	$ -	-$ 994,401	$ -	$ -	$ -	$ 29,470,667	$ -	$ -		$ -	$ 2,513,255		$ -	$ -	$ 2,478,301	T1	$ 26,992,367

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Income Tax/PILs Workform for 2022 Filers

Schedule 13 Tax Reserves - Test Year

Continuity of Reserves

						Test Year Adjustments					
Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance		Additions	Disposals	Balance for Test Year		Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	B13	0		0				0		0	
Tax Reserves Not Deducted for accounting purposes											
Reserve for doubtful accounts ss. 20(1)(l)	B13	0		0				0		0	
Reserve for goods and services not delivered ss. 20(1)(m)	B13	0		0				0		0	
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0				0		0	
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0				0		0	
Other tax reserves	B13	0		0				0		0	
		0		0				0		0	
		0		0				0		0	
Total		**0**	**0**	**0**	T1	**0**	**0**	**0**	T1	**0**	**0**
Financial Statement Reserves (not deductible for Tax Purposes)											
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0				0		0	
General reserve for bad debts	B13	0		0				0		0	
Accrued Employee Future Benefits:	B13	0		0				0		0	
- Medical and Life Insurance	B13	0		0				0		0	
-Short & Long-term Disability	B13	0		0				0		0	
-Accmulated Sick Leave	B13	0		0				0		0	
- Termination Cost	B13	0		0				0		0	
- Other Post-Employment Benefits	B13	0		0				0		0	
Provision for Environmental Costs	B13	0		0				0		0	
Restructuring Costs	B13	0		0				0		0	
Accrued Contingent Litigation Costs	B13	0		0				0		0	
Accrued Self-Insurance Costs	B13	0		0				0		0	
Other Contingent Liabilities	B13	0		0				0		0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0				0		0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0				0		0	
Other	B13	869,491		869,491		68,876	85,510	852,857		-16,634	
		0		0				0		0	
		0		0				0		0	
Total		**869,491**	**0**	**869,491**	T1	**68,876**	**85,510**	**852,857**	T1	**-16,634**	**0**

APPENDIX C – EEDO Federal and Provincial Tax Returns

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

055 **Do not use this area**

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

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

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

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

Identification

Business number (BN) **001** 86616 8834 RC0001

Corporation's name
002 EPCOR Electricity Distribution Ontario Inc.

Address of head office
Has this address changed since the last time we notified? . . . . **010** Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 2000 - 10423 101 Street NW
012

City	Province, territory, or state
015 Edmonton	**016** AB
Country (other than Canada)	Postal or ZIP code
017 CA	**018** T5H 0E8

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** Yes [ ] No [X]
If **yes**, complete lines 021 to 028.
021 c/o 27th Floor Tax Group
022 2000 - 10423 101 Street NW
023

City	Province, territory, or state
025 Edmonton	**026** AB
Country (other than Canada)	Postal or ZIP code
027 CA	**028** T5H 0E8

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . **030** Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031
032

City	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)

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

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

To which tax year does this return apply?

	Tax year start (Year Month Day)		Tax year-end (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 [X]

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

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? . . . . **066** Yes [ ] No [X]

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes [ ] No [X]

Is this the first year of filing after:
Incorporation? . . . . **070** Yes [ ] No [X]
Amalgamation? . . . . **071** Yes [ ] No [X]
If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? . . . . **072** Yes [ ] No [X]
If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? . . . . **076** Yes [ ] No [X]

Is this the final return up to dissolution? . . . . **078** Yes [ ] No [X]

If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada? **080** Yes [X] No [ ]
If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? . . . . **082** Yes [ ] No [X]
If **yes**, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- [ ] 1 Exempt under paragraph 149(1)(e) or (l)
- [ ] 2 Exempt under paragraph 149(1)(j)
- [ ] 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- [ ] 4 Exempt under other paragraphs of section 149

Do not use this area
095 **096** **898**

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.
Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

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

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X

What is the corporation's main revenue-generating business activity? 221122 Electric Power Distribution

Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284	Electrical Distribution	285	100.000 %
286		287	%
288		289	%

		Yes	No
Did the corporation immigrate to Canada during the tax year?	291		X
Did the corporation emigrate from Canada during the tax year?	292		X
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293		

If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible 294 Year Month Day

If the corporation's major business activity is construction, did you have any subcontractors during the tax year? 295 Yes No

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	-1,321,308	A
Deduct:					
Charitable donations from Schedule 2	311				
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gifts of medicine made before March 22, 2017, from Schedule 2	315				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320				
Part VI.1 tax deduction*	325				
Non-capital losses of previous tax years from Schedule 4	331				
Net capital losses of previous tax years from Schedule 4	332				
Restricted farm losses of previous tax years from Schedule 4	333				
Farm losses of previous tax years from Schedule 4	334				
Limited partnership losses of previous tax years from Schedule 4	335				
Taxable capital gains or taxable dividends allocated from a central credit union	340				
Prospector's and grubstaker's shares	350				
Employer deduction for non-qualified securities under an employee stock options agreement			a		
Subtotal			▶		B
Subtotal (amount A **minus** amount B) (if negative, enter "0")					C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C **plus** amount D)			360		
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)			370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 **minus** line 370)					Z
Taxable income for the year from a personal services business					Z.1

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

Small business deduction

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

Income eligible for the small business deduction from Schedule 7 . . . . . 400 ______ A

Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax . . . . . 405 ______ B

Business limit (see notes 1 and 2 below) . . . . . 410 ______ C

Notes:

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

Business limit reduction

Taxable capital business limit reduction

Amount C ______ x 415 *** 3,685 D / 11,250 = ... ______ E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . 417 ______ – 50,000 = . . ______ F

Amount C ______ / 100,000 x Amount F ______ = ... ______ G

The greater of amount E and amount G 422 ______ H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0") . . . . . 425 ______

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 ______ / Number of days in the tax year 366 x 18 % = ______ 1

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

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 490	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L [3] 500	N Business limit assigned to corporation identified in column L [4] 505
1.				
			Total 510	Total 515

Notes:

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

Federal foreign non-business income tax credit from Schedule 21 . . . . **632** ______

Federal foreign business income tax credit from Schedule 21 . . . . **636** ______

General tax reduction for CCPCs from amount I on page 5 . . . . **638** ______

General tax reduction from amount P on page 5 . . . . **639** ______

Federal logging tax credit from Schedule 21 . . . . **640** ______

Eligible Canadian bank deduction under section 125.21 . . . . **641** ______

Federal qualifying environmental trust tax credit . . . . **648** ______

Investment tax credit from Schedule 31 . . . . **652** ______

Subtotal ______ ► ______ K

Part I tax payable – Amount I **minus** amount K . . . . ______ L

Enter amount L on line 700 on page 9.

Privacy statement

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

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
	Total federal tax	

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta) 760

Total tax payable 770 A

Deduct other credits:

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

Refund code 894

Refund

Balance (amount A **minus** amount B)

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

Balance owing

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

Direct deposit request

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

☐ Start ☐ Change information

910 Branch number

914 Institution number

918 Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? 896 Yes ☐ No ☒

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920

Certification

I, 950 Koski (Last name) 951 Jacyn (First name) 954 Treasurer & CS Controller (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 2021-06-25 Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (780) 412-4481 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below 957 Yes ☐ No ☒

958 Nancy Chen Name of other authorized person

959 (780) 412-3303 Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. 990 1

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2020-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	9,213,854	12,897,641
	Total tangible capital assets	2008	+	37,800,642	33,694,554
	Total accumulated amortization of tangible capital assets	2009	–	7,448,909	6,206,139
	Total intangible capital assets	2178	+	1,129,016	1,123,631
	Total accumulated amortization of intangible capital assets	2179	–	235,459	179,086
	Total long-term assets	2589	+	6,837,536	5,160,912
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	47,296,680	46,491,513
	Liabilities				
	Total current liabilities	3139	+	7,287,548	12,402,215
	Total long-term liabilities	3450	+	24,755,423	22,616,317
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	32,042,971	35,018,532
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	15,253,709	11,472,981
	Total liabilities and shareholder equity	3640	=	47,296,680	46,491,513
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	851,294	1,070,566

* Generic item

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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
	Income statement information				
	Total sales of goods and services	8089	+	49,848,060	44,646,533
	Cost of sales	8518	–	43,853,252	36,981,897
	Gross profit/loss	8519	=	5,994,808	7,664,636
	Cost of sales	8518	+	43,853,252	36,981,897
	Total operating expenses	9367	+	9,234,619	8,851,410
	Total expenses (mandatory field)	9368	=	53,087,871	45,833,307
	Total revenue (mandatory field)	8299	+	52,714,105	45,123,251
	Total expenses (mandatory field)	9368	–	53,087,871	45,833,307
	Net non-farming income	9369	=	-373,766	-710,056
	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	=	-373,766	-710,056
	Total – other comprehensive income	9998	=		-37,263
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	-3,878	1,521
	Future (deferred) income tax provision	9995	–	-150,616	-212,811
	Total – Other comprehensive income	9998	+		-37,263
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	-219,272	-536,029

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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 [X] No [ ]

Is the accountant connected* with the corporation? . . . . . **097** Yes [X] No [ ]

Note

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

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

Part 2 – Type of involvement with the financial statements

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

Completed an auditor's report . . . . . 1 [ ]

Completed a review engagement report . . . . . 2 [ ]

Conducted a compilation engagement . . . . . 3 [ ]

Part 3 – Reservations

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

Has the accountant expressed a reservation? . . . . . **099** Yes [ ] No [ ]

Part 4 – Other information

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

Prepared the tax return (financial statements prepared by client) . . . . . 1 [ ]

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

Were notes to the financial statements prepared? . . . . . **101** Yes [X] No [ ]

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

Are subsequent events mentioned in the notes? . . . . . **104** Yes [ ] No [X]

Is re-evaluation of asset information mentioned in the notes? . . . . . **105** Yes [ ] No [X]

Is contingent liability information mentioned in the notes? . . . . . **106** Yes [ ] No [X]

Is information regarding commitments mentioned in the notes? . . . . . **107** Yes [X] No [ ]

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** Yes [ ] No [X]

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year? . . . **200** Yes [ ] No [X]

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

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

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)? . . . **250** Yes [ ] No [X]

Did the corporation apply hedge accounting during the tax year? . . . **255** Yes [ ] No [X]

Did the corporation discontinue hedge accounting during the tax year? . . . **260** Yes [ ] No [X]

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year? . . . **265** Yes [ ] No [X]

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

General Index of Financial Information

Notes to the financial statements

b) Rate Regulation
The Company, as an electricity distributor, is both licensed and regulated by the OEB which has a legislative mandate to oversee various aspects of the electricity industry. The OEB exercises statutory authority through setting or approving all rates charged by the Company and establishing standards of service for the Company's customers. The OEB has broad powers relating to licensing, standards of conduct and service and the regulation of rates charged by the Company and other electricity distributors in Ontario. The Ontario government enacted the Energy Competition Act, 1998, to introduce competition to the Ontario energy market. Rates are set by the OEB on an annual basis forMay 1 to April 30.
Regulatory Risk
Regulatory risk is the risk that the Province and its regulator, the OEB, could establish a regulatory regime that imposes conditions that restrict the electricity distribution business from achieving an acceptable rate of return that permits financial sustainability of its operations including the recovery of expenses incurred for the benefit of other market participants in the electricity industry such as transition costs and other regulatory assets. All requests for changes in electricity distribution charges require the approval of the OEB.
Recovery Risk
Regulatory developments in Ontario's electricity industry, including current and possible future consultations between the OEB and interested stakeholders, may affect distribution rates and other permitted recoveries in the future. The Company is subject to a cost of service regulatory mechanism under which the OEB establishes the revenues required (i) to recover the forecast operating costs, including amortization and income taxes, of providing the regulated service, and (ii) to provide a fair and reasonable return on utility investment, or rate base. As actual operating conditions may vary from forecast, actual returns achieved can differ from approved returns.2. Basis of Preparation
(a) Statement of Compliance
These financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), and effective on December 31, 2020 and 2019.
These financial statements were approved and authorized for issue by the Board of Directors on April 15, 2021.(b) Basis of Measurement
The Company's financial statements are prepared on the historical cost basis.
(c) Functional and Presentation Currency
These financial statements are presented in Canadian dollars, which is also the corporation's functional currency, and all values are rounded to the nearest dollar, unless otherwise indicated.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
3. Significant Accounting Policies
The accounting policies set out below have been applied consistently to all

General Index of Financial Information

Notes to the financial statements

years presented in these financialstatements unless otherwise indicated.
Changes in Significant Accounting Policies
The Company has adopted amendments to various accounting standards effective January 1, 2020, which did not have a significant impact on these financial statements.
(a) Regulatory Deferral Accounts
Regulatory deferral account debit balances represent future revenues associated with certain costs incurred in the current year or in prior year(s), that are expected to be recovered from consumers in future years through the ratesetting process. Regulatory deferral account credit balances are associated with the collection of certain revenues earned in the current year or in prior year(s), that are expected to be returned to consumers in future years through the rate-setting process. Regulatory deferral account balances can arise from differences in amounts collected from customers (based on regulated rates) and the corresponding cost of non-competitive electricity service incurred by the Company in the wholesale market administered by the Independent Electricity System Operator (the "IESO") after May 1, 2002. These amounts have been accumulated pursuant to regulation underlying the Electricity Act (the "EA") and deferred in anticipation of their future recovery or expense in electricity distribution service charges.Explanation of recognized amounts
Regulatory deferral account balances are recognized and measured initially and subsequently at cost. They are assessed for impairment on the same basis as other non-financial assets as described below.
Management continually assesses the likelihood of recovery of regulatory deferral accounts. If recovery through future rates is no longer considered probable, the amounts would be charged to the results of operations in the year that theassessment is made.
(b) Revenue Recognition
The Company recognizes revenue when it transfers control over a promised good or service, a performance obligation under the contract, to a customer and where the Company is entitled to consideration as a result of completion of the performance obligation. Revenue is comprised of the sale and distribution of electricity, pole use rental, collection and other customer charges, contributions in aid of construction and other miscellaneous revenues.Sale and distribution of electricity
The Company is licensed by the OEB to distribute electricity. As a licensed distributor, the Company is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Company is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Company ultimately collects these amounts from customers. The Company has determined that they are acting as a principal for the electricity distribution and, therefore, have presented the electricity revenues on a gross basis.
The contracts with customers for the supply of electricity consists of perpetual contracts that are effective until terminated by the customer or Company. The Company distributes electricity which is a distinct service that is

simultaneously received and consumed by the customers. Performance obligations are satisfied, over time using the output method for recognition of revenue for the metered units of electricity consumed. Electricity revenue is measured in consumption based on kWh consumed or on peak demand, which is a measurable unit of consumption.
Revenue from the sale and distribution of electricity is recognized on an accrual basis, including unbilled revenues accrued in respect of electricity delivered but not yet billed. Payments are due within 30 days of billing.Other
Other revenues, which include revenues from pole use rental, collection charges and other miscellaneous revenues are recognized at the time services are provided. Where the Company has an ongoing obligation to provide services, revenues are recognized as the service is performed and amounts billed in advance are recognized as deferredrevenue.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
3. Significant Accounting Policies Continued
(c) Non-derivative Financial Instruments
Financial assets are identified and classified based on the business model used by the Company for managing those financial assets, as one of the following: at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss. Prior to January 1, 2018, financial assets were identified and classified as one of the following: measured at fair value through profit or loss, loans and receivables, or available-for-sale financial assets.
Non-derivative financial assets that were not classified in any of the above categories were designated as availablefor-sale financial assets. Financial liabilities continue to be classified as measured at fair value through profit or loss or at amortized cost, as there is no change in classification of financial liabilities under IFRS 9.
Financial assets and financial liabilities are presented on a net basis when the Company has a legally enforceable right to offset the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liabilitysimultaneously.
At amortized cost
Cash, accounts receivable and unbilled energy revenue are classified as financial assets at amortized cost. These financial assets are recognized initially at fair value plus directly attributable transaction costs, if any. After initial recognition, they are measured at amortized cost when they are held for collection of cash flows, where those cash flows solely represent payments of principal and interest using the effective interest rate method less any impairment.
The effective interest rate method calculates the amortized cost of a financial asset and allocates the finance income over the term of the financial asset using an effective interest rate. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or a shorter period when appropriate, to the gross carrying amount of the financial asset.

General Index of Financial Information

Notes to the financial statements

The Company's accounts payable and accruals, customer deposits and credits, and short and long-term debt are
classified as financial liabilities at amortized cost and recognized on the date at which the Company becomes a party
to the contractual arrangement. Financial liabilities are derecognized when the contractual obligations are discharged,
cancelled or expire. Financial liabilities are initially recognized at fair value including discounts and premiums, plus
directly attributable transaction costs, such as issue expenses, if any. Subsequently, these liabilities are measured at
amortized cost using the effective interest rate method.
At fair value through other comprehensive income
Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows
solely represent payments of principal and interest, are classified as financial assets at fair value through other
comprehensive income. These financial assets are initially recognized at fair value plus directly attributable transaction
costs. Subsequent to initial recognition, these financial assets are measured at fair value with unrealized gains and
losses recognized in other comprehensive income, except for the recognition of impairment losses, reversal of
impairment losses, interest income and foreign exchange gains and losses, which are recognized in net income. On
de-recognition of the financial asset, the cumulative gain or loss previously recognized in other comprehensive income
is reclassified to net income. Interest income from these financial assets is recognized as other income using theeffective interest rate method.
At fair value through profit or loss
Financial instruments at fair value through profit or loss include instruments that are designated as financial
instruments at fair value through profit or loss or those financial instruments that do not meet the criteria for
classification under any other category. Upon initial recognition, directly attributable transaction costs are recognized
in net income as incurred. Changes in fair value of financial instruments measured at fair value through profit or lossare recognized in net income.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
3. Significant Accounting Policies Continued
(d) Cash
Cash and bank includes cash on hand, deposits held on demand with financial institutions, other short-term, highly
liquid investments with original maturities of three months or less that are readily convertible to known amounts of
cash and subject to an insignificant risk of change in value.
(e) Customer Deposits
Customers may be required to post security to obtain electricity or other services, which are refundable. Where the
security posted is in the form of cash, these amounts are recorded in the accounts as deposits. Deposits to be
refunded to customers within the next fiscal year are classified as a current liability.(f) Inventories
Cost of inventory is comprised of direct materials, which typically consists

General Index of Financial Information

Notes to the financial statements

of distribution assets not deemed as major spares, unless purchased for specific capital projects in process or as spare units. Costs, after deducting rebates and discounts, are assigned to individual items of inventory on the basis of weighted average cost. Decommissioned assets that are transferred to inventory are tested for impairment once they are removed from service and placed in inventory. Inventory is recognized at the lower of cost and net realizable value, which is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make thesale.

(g) Leases

At the inception of a contract, the Company determines whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time inexchange for consideration.

As a lessee

On initial identification of a lease contract, the Company recognizes a right-of-use (ROU) asset and a lease liability at the commencement of the lease contract. The lease liability is initially measured at the present value of the future unavoidable lease payments under the contract, discounted using the interest rate implicit in the lease contract.

Where the implicit rate cannot be readily determined, the Company uses the incremental borrowing rate of the legal entity entering into the lease contract. Lease payments include fixed payments including in-substance fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, the exercise price of a purchase option or optional renewal period that the Company is reasonably certain to exercise and penalties for early termination of a lease contract unless the Company is reasonably certain not to terminate early. Subsequently, the lease liability is measured at amortized cost, using the effective interest method. The lease liability is re-measured to reflect any reassessments or lease modifications. Lease payments are allocated between the principal repayment of the lease liability and finance expense. The finance expense on the lease liability is charged to net income over the term of the lease contract to produce a constant periodic rate of interest on the remaining balance of the lease liabilityfor each period.

The ROU asset is initially measured at cost which includes the initial lease liability, any lease payments made at or before commencement date less any lease incentives received, any initial direct costs and restoration costs. The ROU assets are depreciated on a straight-line basis over the shorter of the respective asset's useful life and the remaining term of the lease contract. The ROU assets are subsequently re-measured to reflect any reassessments or lease modifications. At each reporting date, ROU assets are reviewed for indications of impairment. In case it is determined that indications of impairment exist, the recoverable amount is estimated for ROU assets, which is the greater of value in use and fair value the Company expects to recover from sub-lease of the asset.

The Company has elected not to recognize ROU assets and lease liabilities for

lease contracts where the total term of
the respective lease contract is less than or equal to 12 months or for low
value lease contracts. The Company
recognizes the payments relating to such leases (including principal and
interest associated with these leases) as an
expense on a straight-line basis over the lease term. These payments are
presented within other administrativeexpense in net income.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
3. Significant Accounting Policies Continued
(h) Property, Plant and Equipment
Property, plant and equipment (PP&E) are recognized at cost, net of
accumulated depreciation and accumulated
impairment, if any, being the purchase price and directly attributable cost
of acquisition or construction required to
bring the asset to the location and condition necessary to be capable of
operating in the manner intended by the
Company, including eligible borrowing costs.
Depreciation of PP&E is recorded in the statement of comprehensive income on
a straight-line basis over the
estimated useful life of the related asset. Half of a year's amortization is
taken for the first year, regardless of when the
property was actually put into service during the year. The estimated useful
lives, residual values and amortization
methods are reviewed at the end of each annual reporting period, with the
effect of any changes in estimate being
accounted for on a prospective basis. The estimated useful lives for the
current and comparative years are:Buildings 50 years
Distribution stations 20 - 45 years
Distribution lines 40 - 60 years
Distribution transformers 40 years
Distribution services 40 years
Meters 15 years
Vehicles 5 - 8 years
Equipment 3 - 15 years
Work-in-Progress assets are not depreciated until the project is complete and
ready for use.
Major spares such as spare transformers and other items kept as standby/back
up equipment are accounted for as
PP&E since they support the Company's distribution system reliability. These
are included in work-in-progress (Note9) and not depreciated.
Gains or losses on disposal of an item of property, plant and equipment are
determined by comparing the net
proceeds from disposal with the carrying amount of the asset, and are
included in the statement of comprehensive
income when the asset is disposed. When an item of property, plant and
equipment with related contributions in aid of
construction is disposed, the remaining contributions are recognized in full
in the statement of comprehensive income.(i) Borrowing Costs
The Company capitalizes interest expenses and other finance charges directly
relating to the acquisition, construction
or production of assets that take a substantial period of time to get ready
for its intended use. Capitalization
commences when expenditures are being incurred, borrowing costs are being

General Index of Financial Information

Notes to the financial statements

incurred and activities that are
necessary to prepare the asset for its intended use or sale are in progress.
Capitalization will be suspended during
periods in which active development is interrupted. Capitalization will cease
when substantially all of the activities
necessary to prepare the asset for its intended use or sale are complete.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
3. Significant Accounting Policies Continued
(j) Intangible Assets
Paid Capital Contributions include amounts paid by the corporation for
capital expenditures under a Capital Cost
Recovery Agreement. The contribution is measured at cost less accumulated
amortization and accumulated
impairment losses. They are not amortized until put into use.
Computer software that is acquired or developed by the Company, including
software that is not integral to the
functionality of equipment purchased, which has finite useful lives, is
measured at cost less accumulated amortization
and accumulated impairment losses.
Amortization is recognized in profit or loss on a straight-line basis over
the estimated useful lives of intangible assets,
other than goodwill, from the date that they are available for use. Half of a
year's amortization is taken for the first year
in service. Amortization methods and useful lives of all intangible assets
are reviewed at the end of each annual
reporting period. The estimated useful lives for the current and comparative
years are:Paid Capital Contributions 45 years
Computer software 5 years
Goodwill represents the cost of acquired local distribution companies in
Stayner, Creemore and Thornbury in excess
of fair value of the net identifiable assets purchased. Goodwill is measured
at cost and is not amortized.(k) Deferred Revenue
Certain assets may be contributed by customers or be constructed using
non-refundable cash contributions from
customers. Non-refundable customer contributions which are used to provide
ongoing goods or services to these
customers are recorded as deferred revenue. The deferred revenue is initially
recorded at the fair value of contributed
assets, or the amount of cash contributions received, and is recognized as
revenue on a straight-line basis over the
estimated life of the contract with the customers. Where contracts with
customers are perpetual, the related
contributed asset will be used to provide ongoing goods or services to
customers and as such the estimated life of the
contract with the customers is estimated to be equivalent to the economical
useful life of the asset to which thecontribution relates.
Certain assets may be contributed by developers or be acquired or constructed
using non-refundable cash
contributions from developers. Non-refundable developer contributions that
result in the Company having an on-going
obligation to provide goods or services with respect to the assets acquired
or constructed are recorded as deferred
revenue, at the fair value of the contributed assets or the amount of cash

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contribution received, and are recognized as
revenue on a straight-line basis over the estimated economic useful lives of
the assets to which the contributionrelates.
(l) Impairment of financial assets
The Company uses the "expected credit loss" (ECL) model for calculating
impairment and recognizes ECL as a loss
allowance for financial assets measured at amortized cost.
For trade receivables without significant financing component, the Company
applies the simplified approach and uses
a provision matrix, which is based on the Company's historical credit loss
experience, current market conditions and
forward looking information, to estimate and recognize the lifetime ECL.
Trade and other receivables that are not
assessed for impairment individually are assessed for impairment on a
collective basis taking into consideration the
unique risk factors associated with each customer group.
(m) Provisions
A provision is recognized if, as a result of a past event, the Company has a
present legal or constructive obligation that
can be estimated reliably, and it is probable that an outflow of economic
benefits will be required to settle the
obligation. Provisions are determined by discounting the expected future cash
flows at a pre-tax rate that reflects
current market assessments of the time value of money and the risks specific
to the liability. The increase in the
provision due to the passage of time is recognized as a finance expense over
the estimated period until settlement ofthe obligation.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
3. Significant Accounting Policies Continued
(n) Impairment of non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at
each reporting date to determine
whether there is any indication of impairment. Non-financial assets include
PP&E, intangible assets and goodwill. For
PP&E and intangible assets with definite useful lives, the recoverable amount
is estimated when an indication of
impairment exists. For goodwill and intangible assets that have indefinite
useful lives or that are not yet available for
use, the recoverable amount is estimated at least once each year.
The recoverable amount of an asset or cash-generating unit (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 an after-tax discount rate that reflects current market assessments of
the time value of money and the risks
specific to the asset. For the purpose of impairment testing, assets that
cannot be tested individually are tested as a
CGU. CGU's are the smallest group of assets that generate cash inflows from
continuing use that are largely
independent of the cash inflows of other assets or groups of assets. For the
purposes of goodwill impairment testing,
goodwill acquired in a business combination is allocated to the CGU, or the
group of CGUs, that is expected to benefit

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from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.
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 comprehensive income. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of the assets in the unit or the group of units on a pro rata basis.An impairment loss in respect of goodwill is not reversed. In respect of other non-financial assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a fundamental change, since the date of impairment, which may improve the financial performance of the non-financial asset. 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.
(o) Employee Future Benefits
Pension plan
The employees of the Company participate in the Ontario Municipal Employees Retirement System ("OMERS"). The Company also makes contributions to the OMERS plan on behalf of its employees. The plan has a defined benefit option at retirement available to employees, which specifies the amount of the retirement benefit plan to be received by the employees based on length of service and rates of pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The Company is only one of a number of employers that participates in the plan and the financial information provided to the Company on the basis of the contractual agreements is insufficient to measure the Company's proportionate share in the plan assets and liabilities on defined benefit accounting requirements. The contribution payable in exchange for services rendered during a period is recognized as an expense during that period.Post employment medical and life insurance plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation on behalf of its retired employees' unfunded, extended medical and dental benefits is calculated by estimating the amount of future benefits that are expected to be paid out discounted to determine its present value.
Any unrecognized past service costs are deducted.
The calculation is performed by a qualified actuary using the projected unit credit method every third year or when there are significant changes to workforce. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits

Corporation's name	Business number	Tax year end Year Month Day
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available in the form of any future refunds from the plan or reductions in
future contributions to the plan. An economic
benefit is available to the Company if it is realizable during the life of
the plan, or on settlement of the plan liabilities.
Defined benefit obligations are measured using the projected unit credit
method discounted to its present value using
yields available on high quality corporate bonds that have maturity dates
approximating the terms of the liabilities.
Remeasurements of the defined benefit obligation are recognized in other
comprehensive income. Theremeasurements include actuarial gains and losses.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
3. Significant Accounting Policies Continued
(o) Employee Future Benefits Continued
Service costs are recognized in operating expenses and include current and
past service costs as well as gains andlosses on curtailments.
Net interest expense is recognized in finance costs and is calculated by
applying the discount rate used to measure
the defined benefit obligation at the beginning of the annual period to the
balance of the net defined benefit obligation,
considering the effects of benefit payments during the period. Gains or
losses arising from changes to defined
benefits or plan curtailment are recognized immediately in the statement of
comprehensive income. Settlements of
defined benefit plans are recognized in the period in which the settlement
occurs.Other employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis
and are expensed as the related
service is provided. A liability for short-term employee benefits is
recognized for the amount expected to be paid if the
Company has a legal or constructive obligation to pay this amount as a result
of past service provided by the
employee and the obligation can be estimated reliably.
(p) Payments in Lieu of Taxes Payable
Tax status
The corporation is a Municipal Electricity Utility ("MEU") for purposes of
the payments in lieu of taxes ("PILs") regime
contained in the Electricity Act, 1998. As a MEU, the Company is exempt from
tax under the Income Tax Act(Canada) and the Corporations Tax Act (Ontario).
Under the Electricity Act, 1998, the Company is required to make, for each
taxation year, PILs to Ontario Electricity
Financial Corporation ("OEFC"), commencing October 1, 2001. These payments
are calculated in accordance with
the rules for computing taxable income and taxable capital and other relevant
amounts contained in the Income Tax
Act (Canada) and the Corporation Tax Act (Ontario) as modified by the
Electricity Act, 1998, and related regulations.Current and deferred tax
Provision in lieu of taxes ("PILs") is comprised of current and deferred tax.
Current tax and deferred tax are
recognized in net income except to the extent that it relates to items
recognized directly in Other ComprehensiveIncome.
Current PILs are recognized on the taxable income or loss for the current
year plus any adjustment in respect of
previous years. Current PILs are determined using tax rates and tax laws that

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have been enacted or substantivelyenacted by the year-end date.
Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax
base. The amount of the deferred tax asset or liability is measured at the amount expected to be recovered from or
paid to the taxation authorities. This amount is determined using tax rates and tax laws that have been enacted or
substantively enacted by the year-end date and are expected to apply when the liabilities/(assets) aresettled/(recovered).
Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted
to those instances where it is probable that future taxable profit will be available against which the deferred tax assetcan be utilized.
At the end of each reporting period, the Company reassesses both recognized and unrecognized deferred tax assets.
The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that
future taxable profit will allow the deferred tax asset to be recovered.
(q) Standards and Interpretations Not Yet Applied
A number of new standards, amendments to standards and interpretations of standards have been issued by the IASB
and the IFRIC, the application of which is effective for periods beginning on or after January 1, 2021. The Company
does not expect the implementation of these new accounting pronouncements to have a significant impact on itsaccounting policies.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
4. Use of Judgments and Estimates
The preparation of the Company's financial statements in accordance with IFRS requires management to make
judgments in the application of accounting policies, and estimates and assumptions that affect the reported amounts
of income, expenses, assets and liabilities as well as the disclosure of contingent assets and liabilities.(a) Judgments
Information about critical judgments in applying accounting policies that have the most significant effect on the
amounts recognized in the financial statements are included in notes:
Note 3(g) - Leases
Note 3(h) - Property, plant and equipment
(b) Estimates
The Company reviews its estimates and assumptions on an ongoing basis, uses the most current information
available and exercises careful judgment in making these estimates and assumptions. Adjustments to previous
estimates, which may be material, are recorded in the period in which they become known. Actual results may differ
from these estimates. Assumptions and uncertainties that have a significant risk of resulting in a material adjustment
within the next financial year include:
Employee future benefits
The cost of post employment medical and insurance benefits are determined using actuarial valuations. An actuarial
valuation involves making various assumptions. Due to the complexity of the valuation, the underlying assumptions

and its long-term nature, post employment medical and insurance benefits are
highly sensitive to changes in these
assumptions. All assumptions are reviewed at each reporting date. See Note 19
Employee Future Benefits.Payments in Lieu of Taxes Payable and Deferred Taxes
The Company is required to make payments in lieu of tax calculated on the
same basis as income taxes on taxable
income earned and capital taxes. Significant judgment is required in
determining the provision for income taxes and
deferred taxes. There are many transactions and calculations undertaken
during the ordinary course of business for
which the ultimate tax determination is uncertain. The Company recognizes
liabilities for anticipated tax audit issues
based on the Company's current understanding of the tax law. Where the final
tax outcome of these matters is
different from the amounts that were initially recorded, such differences
will impact the current and deferred tax
provisions in the period in which such determination is made.
Accounts Receivable Impairment
In determining the expected credit loss allowance, the Company considers
historical credit loss experience for
accounts receivable, current market conditions and the future expectations,
to estimate and recognize the lifetimeexpected credit loss.
Estimate of Useful Life of Assets
The estimates and assumptions made to determine the useful life of property,
plant and equipment and certain
intangibles are determined by management at the time the asset is acquired
and reviewed annually for
appropriateness based on industry standards, historical experience, and
technological obsolescence.Regulatory Estimates
Certain estimates are necessary given that the regulatory environment in
which the Company operates often requires
amounts to be recorded at estimated values until finalization and adjustment,
pursuant to subsequent OEB regulatoryproceedings or decisions.
Unbilled Energy Revenue
Unbilled energy revenue is based on an assessment of electricity distribution
services supplied to customers between
the date of the last meter reading and the period ending date. The Company
applies judgemental to the measurement
of the estimated consumption and the valuation of that consumption.
Fair value measurement
Certain accounting measures such as determining asset impairments and
recording financial assets and liabilities use
various valuation techniques to determine fair value. Estimates of fair value
may be based on readily determinable
market values or depreciable replacement cost or discounted cash flow
techniques employing estimated future cash
flows based on a number of assumptions and using an appropriate discount rate.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
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5. Novel Coronavirus
In March 2020, the global outbreak of the novel coronavirus (COVID-19) was
declared a pandemic by the World
Health Organization. In response to the outbreak, governmental authorities
globally introduced various

recommendations and measures to try to limit spread of the pandemic, including non-essential business closures,
quarantines, travel restrictions, self-isolation, social and physical distancing and shelter-in-place. These measures
caused disruptions to businesses globally resulting in an economic slowdown. While the majority of the Company's
operations consist of the provision of essential utility services, the Company experienced a decline in the sale of
electricity to its commercial customers, which was largely offset by increase in sales to residential and multi-residential
customers, as well as additional costs incurred to mitigate risks of the outbreak. During the year ended December 31,
2020, the COVID-19 pandemic did not result in any material impact on the financial results of the Company.
In Ontario, the spread of COVID-19 showed signs of slowing down in the second and third quarters of the year, and
most of the restrictions were gradually lifted by the provincial governments. However, in the fourth quarter of the year,
the number of COVID-19 cases started to rise and the federal and provincial governments imposed restrictions again.
Any prolonged restrictions could disrupt business activities, which could negatively affect one or more factors that are
essential for maintaining regular operations of the Company including, but not limited to, availability of employees for
delivery of services, availability of supplies and equipment for operations and planned construction of plants and other
assets. The ultimate duration and magnitude of the impact on the economy and consequential financial effect on theCompany, is unknown at this time.
6. Revenues
2020 2019
Sale of energy $ 41,819,872 $ 36,232,007
Distribution revenue 8,028,188 8,414,526
Deferred revenue recognized (Note 16) 121,960 102,382
Other revenue 1,261,244 1,341,366
$ 51,231,264 $ 46,090,281
The Company has reclassified the prior year other recoverable expenses of $769,866 from a net against other
revenue to a separate line item in operating expenses, which more accurately represents total revenues and totalexpenses.
Revenue from contracts with customers expected to be recognized in future periods related to performance obligations
that are unsatisfied or partially satisfied at the reporting date are as follows:2026 and
2021 2022 2023 2024 2025 thereafter Total
Contributions received from
customers and developers $ 126,857 $ 126,857 $ 126,857 $ 126,857 $ 126,857 $
5,084,738 $ 5,719,023
As at December 31, 2020, the Company had deferred revenue recorded in the statements of financial position related
to contributions in aid of construction received from customers and developers. Revenue will be recognized in future
periods related to this balance, as described in note 3(k), over periods ranging between 40-50 years.14
EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
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7. Trade and Other Receivables
2020 2019
Trade receivables $ 5,059,031 $ 4,952,363
Accrued revenues 3,320,754 4,642,184
EPCOR Electricity Solutions Ontario Inc., a company under common control
105,727 105,727
EPCOR Collingwood Energy Inc., a company under common control (100) (100)
Long-term Investment - UCS (Note 20) 100 100
Gross accounts receivable 8,485,512 9,700,274
Expected credit loss allowance (Notes 26 and 32) 169,640 134,011
$ 8,315,872 $ 9,566,263
Accounts receivable include $1,199,462 (December 31, 2019 - $1,204,476) for water and sewer billings.
Details of the aging of accounts receivable and analysis of the changes in the ECL allowance are provided in Note 32.
The Company has combined the prior year unbilled energy revenue with trade and other receivables and reclassified
HST receivable to trade and other payables for presentation purposes.
8. Payments in Lieu of Corporate Taxes
(a) The significant components of the provision for payments in lieu of taxes recognized in net income are as follows:2020 2019
Current tax
Based on current year taxable income $ - $ 1,521
Adjustments for over / under provision in prior periods (3,878) -
$ (3,878) $ 1,521
Deferred tax
Origination and reversal of temporary differences (145,335) (212,811)
Adjustments for over / under provision in prior periods (5,281) -
$ (150,616) $ (212,811)
$ (154,494) $ (211,290)
The significant components of the tax effect of the amount recognized in other comprehensive income are as follows:2020 2019
Deferred tax
Remeasurement of defined benefit plan $ - $ (13,435)
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
8. Payments in Lieu of Corporate Taxes (Continued)
Statutory Canadian federal and provincial tax rates for the current year comprise 15% (2019 - 15%) for federal
corporate tax and 11.5% (2019 - 11.5%) for corporate tax in Ontario. The PILs expense varies from amounts which
would be computed by applying the Company's combined statutory income tax rate as follows:2020 2019
Total loss and other comprehensive loss $ (219,272) $ (536,029)
Plus current and deferred income taxes (154,494) (224,725)
Net loss before income taxes (373,766) (760,754)
Statutory Canadian federal and provincial tax rate 26.50% 26.50%
Provision for PILs at statutory rate (99,048) (201,600)
Increase (decrease) in income tax resulting from:
Interest and penalties on taxes - 786
Meals and entertainment 188 1,940
Items in property, plant and equipment (46,475) (29,858)
Miscellaneous other - 4,007
Prior year provision adjustment (9,159) -

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Total provision $ (154,494) $ (224,725)
Effective tax rate 41.33% 29.54%
(b) The movement in the deferred tax asset is as follows:
2020 2019
Opening balance $ 527,499 $ 301,253
Recognized in net income 150,616 212,811
Recognized in other comprehensive income - 13,435
Closing balance $ 678,115 $ 527,499
Deferred tax assets (liabilities) are attributable to the following:
Employee future benefits $ 232,222 $ 233,390
Property, plant and equipment (1,723,784) (1,254,042)
Intangibles (87,565) (79,747)
Property under lease (353,101) (398,662)
Goodwill (73,327) (73,327)
Deferred revenues 1,515,541 1,260,042
Lease obligation 374,728 410,231
Loss carryforward 793,401 429,614
$ 678,115 $ 527,499
The utilization of this tax asset is dependent on future taxable profits in
excess of profits arising from the reversal of
existing taxable temporary differences. The Company believes that this asset
should be recognized as it will berecovered through future services.
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
9. Property, Plant and Equipment
Land and Distribution Other Work-in
Buildings Equipment Vehicles Equipment Progress Total
Cost
January 1, 2019 $ 755,197 $25,076,960 $ 1,833,631 $ 743,850 $ 693,329
$29,102,967Additions - - - - 4,746,777 4,746,777
Transfers into service - 2,318,787 653,982 735,897 (3,708,666) -
Disposals - (21,513) (133,677) - - (155,190)
December 31, 2019 755,197 27,374,234 2,353,936 1,479,747 1,731,440 33,694,554
Additions - - - - 4,331,153 4,331,153
Transfers into service - 3,722,746 463,574 63,224 (4,249,544) -
Disposals - (69,064) (74,548) (81,453) - (225,065)
December 31, 2020 $ 755,197 $31,027,916 $ 2,742,962 $ 1,461,518 $ 1,813,049
$37,800,642Accumulated Depreciation
January 1, 2019 $ 46,743 $ 3,568,182 $ 1,101,346 $ 409,372 $ - $ 5,125,643
Depreciation 9,243 865,912 232,365 120,410 - 1,227,930
Disposals - (13,757) (133,677) - - (147,434)
December 31, 2019 55,986 4,420,337 1,200,034 529,782 - 6,206,139
Depreciation 9,243 932,281 249,028 161,599 - 1,352,151
Disposals - (22,644) (9,319) (77,418) - (109,381)
December 31, 2020 $ 65,229 $ 5,329,974 $ 1,439,743 $ 613,963 $ - $ 7,448,909
Net Book Value
December 31, 2019 $ 699,211 $22,953,897 $ 1,153,902 $ 949,965 $ 1,731,440
$27,488,415
December 31, 2020 $ 689,968 $25,697,942 $ 1,303,219 $ 847,555 $ 1,813,049
$30,351,733
During the year the corporation purchased PP&E with cash totalling $3,820,656
(2019 - $4,746,777) and receivedcontributed capital of $510,497 (2019 - $NIL).
The Company has considered the increase in expenses as an indicator of
impairment and therefore has determined

the recoverable amount for its property, plant and equipment. The recoverable amount exceeded the carrying amount based on forecast cash flows. The cash flow forecasts are based on budgets for the next 5 years, with an assumed growth rate thereafter. The cash flows were probability weighted based on a positive case of 20% and a negative case of 20%. The calculation includes a growth rate of 1.8%, which is the average long-term growth rate for the Company's industry. The cash flows were discounted at a pre-tax discount rate of 3.96% which is the weighted average cost of capital for the Company's industry. The discount rate was tested for sensitivity at +/-0.20%, and the recoverable amount remained above the carrying value.

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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
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10. Intangibles

Paid Capital
Contributions Software Goodwill Total
Cost
January 1, 2019 $ 553,415 $ 169,860 $ 276,704 $ 999,979
Additions - 123,652 - 123,652
December 31, 2019 553,415 293,512 276,704 1,123,631
Additions - 5,385 - 5,385
December 31, 2020 $ 553,415 $ 298,897 $ 276,704 $ 1,129,016
Accumulated Amortization
January 1, 2019 $ 18,447 $ 112,491 $ - $ 130,938
Amortization 12,298 35,850 - 48,148
December 31, 2019 30,745 148,341 - 179,086
Amortization 12,298 44,075 - 56,373
December 31, 2020 $ 43,043 $ 192,416 $ - $ 235,459
Net Book Value
December 31, 2019 $ 522,670 $ 145,171 $ 276,704 $ 944,545
December 31, 2020 $ 510,372 $ 106,481 $ 276,704 $ 893,557

11. Right of Use Assets

2020 2019
Cost
January 1 $ 1,676,316 $ -
Additions - 1,676,316
December 31 1,676,316 1,676,316
Accumulated Amortization
January 1 $ 171,930 $ -
Amortization 171,930 171,930
December 31 343,860 171,930
Carrying Amounts
December 31 $ 1,332,456 $ 1,504,386

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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
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12. Regulatory Deferral Accounts

All amounts deferred as regulatory deferral account debit balances are subject to approval by the OEB. As such, amounts subject to deferral could be altered by the regulators. Remaining recovery periods are those expected and

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the actual recovery or settlement periods could differ based on OEB approval.
Where no recovery period is noted, the
deferral amount will be applied for disposition at the time of the next Cost
of Service Application to the OEB, which will
be for May 1, 2023 rates. The recovery period will be determined by the OEB
at that time.
Due to previous, existing or expected future regulatory articles or
decisions, the Company has the following amounts
expected to be recovered from customers (returned to customers) in future
periods and as such regulatory deferralaccount balances are comprised of:
Balances
Disposition Arising in
2019 May 2020 the Period Recovery 2020
Regulatory deferral debits:
Stranded assets $ 554,815 $ - $ 7,012 $ - $ 561,827
OEB Cost assessment variance 140,966 - 36,993 - 177,959
Energy East consultation costs 2,435 - 32 - 2,467
IFRS transition costs 211,337 - 2,589 - 213,926
Late payment penalty settlement (2,217) - - - (2,217)
COVID-19 costs and foregone revenue - - 147,739 - 147,739
Green Energy Renewable Connection 25,013 - 7,054 - 32,067
Stranded meters 10,085 - 50 - 10,135
Smart Grid 4,950 - 62 - 5,012
MIST Meters 229,163 - 13,021 - 242,184
MIST Meters Capitalized for IFRS (201,191) - - - (201,191)
PILs tax variance - Ontario SBD 37,431 - 479 - 37,910
LRAMVA 312,630 (289,166) 84,123 - 107,587
RARA approved May 1, 2018, 2 yr 392,747 - 1,933 (329,076) 65,604
RARA approved May 1, 2019, 1 yr 221,626 - 1,070 (203,569) 19,127
RARA approved May 1, 2020, 1 yr - 743,073 4,584 (119,399) 628,258
Retail settlement variances 1,156,652 (453,907) 2,051,401 - 2,754,146
Miscellaneous deferred debits 32,585 - (8,160) - 24,425
$ 3,129,027 $ - $ 2,349,982 $ (652,044) $ 4,826,965
Regulatory deferral credits:
Pole attachment revenue variance 124,387 - 158,864 - 283,251
Retail service charge revenue variance 5,210 - 8,358 - 13,568
$ 129,597 $ - $ 167,222 $ - $ 296,819
Net regulatory asset $ 2,999,430 $ - $ 2,182,760 $ (652,044) $ 4,530,146
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
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12. Regulatory Deferral Accounts Continued
Carrying charges are calculated monthly on the opening balance of the
applicable variance account using the
prescribed interest rate set by the OEB. During the period, the corporation
recorded a net debit balance of $46,567
(2019 - $75,483) to the above regulatory accounts for carrying charges and
the related net credit balance is included
in net movement on regulatory deferral accounts. The prescribed interest rate
history is as follows:Q1 Q2 Q3 Q4
2020 OEB quarterly prescribed interest rates 2.18 % 2.18 % 0.57 % 0.57 %
2019 OEB quarterly prescribed interest rates 2.45 % 2.18 % 2.18 % 2.18 %
Stranded Assets
The purpose of this other regulatory deferral account is to record the cost
of Sensus ICON model F and model G

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smart meters net of their accumulated amortization that must be removed from service prematurely before the end of
their expected service life and replaced with new meters. These meters are exhibiting communication issues that are
causing severe operational issues and are unable to meet new requirements such as data encryption. No
amortization expense is recorded on these meters after they have been removed from service. Carrying charges are
recorded monthly on the opening principal balance. A total of 4,631 units were replaced between June 2013 and
December 31, 2015 at an actual removed net book value of $512,493.
OEB Cost Assessment Variance
On February 9, 2016, the Board established this deferral account to record material differences between the quarterly
OEB cost assessments currently built into rates and the cost assessments that will result from the application of thenew Cost Assessment Model.
Energy East Consultation Costs
On June 13, 2014, the Board established this deferral account to record the Energy East Pipeline Project consultationcosts.
IFRS Transition Costs
The corporation uses this deferral account to record one-time administrative incremental IFRS transition costs, which
are not already approved and included for recovery in distribution rates and the associated carrying charges.Late Payment Penalty ("LPP") Settlement
On July 22, 2010, the Ontario Superior Court of Justice approved a settlement of the LPP Class Action. As its share
of this settlement, the corporation was required to pay $46,486 on June 30, 2011 to charity to assist low income
electricity users. The corporation received approval from the OEB to recover this amount from ratepayers over a oneyearperiod, starting May 1, 2011.
COVID-19 Costs and Foregone Revenue
On March 20, 2020 the OEB established a regulatory account to track any incremental costs and lost revenues related
to the COVID-19 pandemic and the associated carrying charges.
Green Energy Renewable Connection
Under the Green Energy and Green Economy Act, electricity distributors are required to facilitate the connection of
renewable energy sources to their systems and to undertake activities that will lead to a smart grid. The OEB has
authorized deferral accounts to record the associated costs and related carrying charges.Stranded Meters
This account includes the NBV of stranded mechanical meters, which have been replaced by smart meters, plus
carrying charges and less rate rider recoveries beginning October 1, 2013 and ending April 30, 2015.20
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12. Regulatory Deferral Accounts Continued
Smart Grid
Investments related to smart grid demonstration projects and investments undertaken as part of a project to
accommodate renewable generation are recorded in the capital deferral account. Operating expenses directly related
to smart grid development activities are recorded in the operating deferral account. Both of these deferral accountsattract applicable carrying charges.

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MIST (Metering Inside the Settlement Timeframe) Meters
This meter cost deferral account has been established for the tracking of incremental capital, operating costs, and carrying charges related to the Distribution System Code amendment requiring distributors to install interval meters (i.e. MIST meters) on any installation that is forecast by the distributor to have a monthly average peak demand during a calendar year of over 50kW. The physical meters portion of this account meet the IAS 16 Property, Plant and Equipment ("PP&E") requirements and therefore have been reclassified to PPE.
Payments in Lieu of Taxes ("PILs") Variances - Ontario Small Business Deduction (SBD)
The PILs variance relates to the differences that have resulted from a legislative or regulatory change to the tax rates or rules assumed in the rate adjustment model.
Effective for taxation years ending after May 1, 2014, Canadian Controlled Private Corporations with taxable capital of $15 million or more are no longer eligible for the Ontario Small Business Deduction, which is a preferential corporate income tax rate of 4.5% instead of 11.5% on the first $500,000 of active business income. The Board requires any tax changes to be shared equally between ratepayers and the shareholder. The tax change began to be incorporated into the Incentive Regulation Mechanism ("IRM") process starting with effective rates May 1, 2016 and forward.
Lost Revenue Adjustment Mechanism Variance Account ("LRAMVA")
This variance account captures the difference between results of actual, verified impacts of authorized CDM activities undertaken and the level of CDM program activities included in the distributor's load forecast and therefore embeddedinto rates.
Regulatory Asset Recovery Accounts ("RARA")
The RARA is comprised of the cumulative balances of regulatory assets and regulatory liabilities approved for disposition by the OEB, reduced by amounts settled with customers through billing of approved disposition rate riders.
The RARA is subject to carrying charges following the OEB prescribed methodology and rates. The number of years over which the recovery has been approved has been noted in the preceding schedule.Retail Settlement Variance Accounts ("RSVA")
RSVAs are comprised of the variances between amounts charged by the corporation to its customers, based on regulated rates, and the corresponding cost of non-competitive electricity service incurred by the corporation. The settlement variances relate primarily to service charges, non-competitive electricity charges and the global adjustment.
Accordingly, the corporation has deferred the variances between the costs incurred and the related recoveries in accordance with the criteria set out in the accounting principles prescribed by the OEB. The balance for settlement variances continues to be calculated and attracts carrying charges in accordance with the OEB's direction.Low Voltage Variance
This account is included in Retail Settlement Variances and is used to record the variances arising from low voltage transactions that are not part of the electricity wholesale market.
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12. Regulatory Deferral Accounts Continued
Miscellaneous Deferred Debits
This account includes expenses incurred in the expansion of the service area for Stayner, Creemore, and Thornbury,
which will benefit future periods and are carried forward and charged to amortization expense over a twenty-five yearperiod ending December 31, 2024.
Pole Attachment Revenue Variance
The OEB set a new province-wide pole attachment charge effective January 1, 2019, adjusted annually for inflation.
The new charge applies to all local distribution companies (LDCs) that have not received OEB approval for a
distributor-specific charge. The excess incremental revenue is recorded in a variance account, with the accumulated
balance ultimately refunded to ratepayers in the LDC's next cost-based rate application.Regulatory Deferral Accounts Adjustment
The entry required to translate the accounting records from regulatory reporting to IFRS was as follows:2020 2019
Statement of Comprehensive Income:
Increase in the sale of energy $ (174,325) $ (106,822)
Increase in the cost of power purchased 2,207,706 856,712
Increase in distribution revenue (520,573) (1,114,110)
Increase in other revenue (141,059) (136,271)
Increase in operating expenses 120,561 71,240
Decrease in interest expense (7,607) (17,244)
Decrease in interest revenue 54,174 92,727
Increase in depreciation 12,722 12,722
Decrease in amortization of deferred charges (8,160) (8,160)
Statement of Financial Position:
Increase in property, plant and equipment 163,144 175,867
Decrease to regulatory deferral accounts (201,191) (201,191)
Decrease in retained earnings 25,324 12,602
Net movement on regulatory deferral accounts 1,530,716 (361,928)
Decrease in retained earnings 2,999,430 3,361,358
$ 4,530,146 $ 2,999,430
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13. Short-Term Debt
2020 2019
EPCOR Utilities Inc. - prime rate 2.45% (2019 - 3.95%),
due monthly, January 31, 2021 $ 26,293 $ 5,180,842
14. Trade and other payables
2020 2019
Accounts payable - energy purchases $ 2,945,677 $ 2,791,470
Trade payables 702,910 612,915
Town of Collingwood - Water and Wastewater 915,532 1,081,734
Affordability Fund Trust 9,449 27,683
HST Payable 56,148 28,386
Short-term incentive plan 87,222 43,389
Payroll liabilities 59,616 72,160
Accrued interest on long-term debt 54,650 52,176
$ 4,831,204 $ 4,709,913
15. Customer Deposits and Credits

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2020 2019
Customer deposits $ 392,599 $ 444,952
Construction work deposits 581,603 151,302
Customer credit balances in trade receivables 708,211 505,838
$ 1,682,413 $ 1,102,092
16. Deferred Revenue
2020 2019
Balance, beginning of year $ 4,754,872 $ 4,045,588
Contributions received1 1,086,111 811,666
Revenue recognized (121,960) (102,382)
Balance, end of year $ 5,719,023 $ 4,754,872
Less: current portion 126,857 121,960
$ 5,592,166 $ 4,632,912
1 Contributions received include cash contributions of $575,614 (2019 -
$811,666) and non-cash contributions of$510,497 (2019 - $NIL).
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17. Lease Liabilities
2020 2019
The Corporation of The Town of Collingwood - Administration building lease $
1,414,067 $ 1,548,040Current portion of lease liability 145,252 135,683
$ 1,268,815 $ 1,412,357
Approximate future payments by the Company with respect to its lease
liabilities are as follows:Within one year $ 203,412 $ 197,714
After one year but not more than five years 855,154 838,386
More than five years 628,902 849,082
Unrecognized finance expense (273,401) (337,142)
$ 1,414,067 $ 1,548,040
18. Long-Term Debt
2020 2019
The Corporation of The Town of Collingwood
Assignment of Infrastructure Ontario Debentures, secured
by a general security agreement on all assets and real property
4.67% fixed rate, $100,000 principal repayable semiannually
plus interest in October and April, due April 2025 $ 900,000 $ 1,100,000
3.84% fixed rate, $32,700 principal and interest repayable
monthly, due September 2037 4,842,130 5,044,357
4.58% fixed rate, $3,563 principal and interest repayable
monthly, due December 2043 609,711 624,427
2.76% fixed rate, $25,000 principal repayable semi-annually
plus interest in October and April, due April 2035 725,000 775,000
EPCOR Utilities Inc. - unsecured related party promissory notes
4.30% fixed rate, interest only payable semi-annually
June and December, due December 2048 8,100,000 8,100,000
2.88% fixed rate, interest only payable semi-annually
June and December, due December 2050 2,020,000 -
17,196,841 15,643,784
Current portion of long-term debt 475,529 466,944
$ 16,721,312 $ 15,176,840
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19. Employee Future Benefits

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(a) Pension Plan
The employees of the Company participate in the Ontario Municipal Employees Retirement System ("OMERS").
Although the plan has a defined retirement benefit plan for employees, the related obligation of the corporation cannot
be identified. The OMERS plan has several unrelated participating municipalities and costs are not specificallyattributed to each participant.
The plan specifies the amount of the retirement benefit to be received by employees based on the length of service
and rates of pay. The plan is financed by equal contributions from participating employers and employees, and by the
investment earnings of the fund. The employer portion of amounts paid to OMERS during the year was $312,877
(2019 - $273,513). The contributions were made for current service and these have been recognized in net income.
Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan by comparing the
actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to
date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this
valuation disclosed total actuarial liabilities of $113.1 (2019 - $107.7) billion in respect of benefits accrued for service
with actuarial assets at that date of $109.8 (2019 - $104.3) billion, indicating a going concern actuarial deficit of $3.2
(2019 - $3.4) billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint
responsibility of Ontario municipal organizations and their employees. As a result, the Company does not recognize
any share of the OMERS pension surplus or deficit.
The contribution rates for normal retirement age 65 members were 9.0% (2019 - 9.0%) for employees earning up to
$58,700 (2019 - $57,400) and 14.6% (2019 - 14.6%) thereafter.
(b) Post employment medical and life insurance plan
The Company provides certain unfunded health, dental and life insurance benefits on behalf of its retired employees.
All employees who retire from the Company are eligible for post-retirement life insurance benefits. In addition,
employees age 55 or older with a minimum of 25 years of active service are eligible for extended health, dental, andvision benefits until they turn 65.
These benefits are provided through a group defined benefit plan. The Company has reported its share of the defined
benefit costs and related liabilities, as calculated by an actuary, in these financial statements. The accrued benefit
liability and the expense for the years ended December 31, 2020 and 2019 were based on results and assumptions
determined by actuarial valuation as at December 31, 2019.
The plan is exposed to a number of risks, including interest rate risk on the discount rate used, longevity risk for
changes in the estimation of mortality rates of current and former employees, and health care cost risk for increases in
the costs of providing health, dental and life insurance benefits.
Benefits for employees on long-term disability
The Company provides continued contributions for health, dental and life insurance benefits on behalf of its employeeswhile on disability leave.
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19. Employee Future Benefits Continued
(b) Post employment medical and life insurance plan continued
Information about the group unfunded defined benefit plan as a whole and changes in the present value of the
unfunded defined benefit obligation and the accrued benefit liability are as follows:2020 2019
Defined benefit obligation, beginning of the year $ 880,722 $ 845,464
Amounts recognized in net income:
Current service cost - retirees 39,592 25,071
Current service cost - disability (6,000) 6,000
Interest cost on obligation 25,292 31,453
58,884 62,524
Amounts recognized in other comprehensive income:
Actuarial loss from financial assumption - 36,298
Actuarial gain/loss from adjustments (experience) - 14,400
- 50,698
Benefit payments (63,295) (77,964)
Defined benefit obligation, end of the year $ 876,311 $ 880,722
Actuarial assumptions are as follows:
2020 2019
Discount rate 3.00 % 3.00 %
Rate of compensation increase 3.50 % 3.50 %
Health benefits costs escalation 4.40 % 5.30 %
Dental benefits costs escalation 4.70 % 4.50 %
Retirement age 59 yrs 59 yrs
Sensitivity analysis:
The approximate effect on the defined benefit obligation if the main actuarial assumptions underlying the valuationincreased or decreased by:
2020 2019
Medical and dental benefits costs escalation:
1% increase $ 36,400 $ 36,400
1% decrease $ (31,100) $ (31,100)
Discount rate:
1% increase $ (121,500) $ (121,500)
1% decrease $ 162,900 $ 162,900
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20. Commitments
Utility Collaborative Services Inc. ("UCS")
The Company has the right to redeem its shares in UCS by retraction upon the following terms:
(a) notice of such retraction shall be given 120 days prior to the effective date;(b) and a retraction fee shall be paid equal to the previous three years'
worth of the average purchases from UCS for
services or products; or in alternative to paying such fees, the Company may elect in writing to provide three years'
written notice of the retraction, provided that the Company continues to receive services at the same or greater
average volume as those received at the time the notice was given.
As at December 31, 2020 the obligation to UCS includes 2021 to 2023 fees of

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approximately $237,000 per year,$712,000 total.
EPCOR Utilities Inc.
Annual commitments for the purchase of general administrative and operation services from EPCOR and itssubsidiaries are estimated at $1,244,844.

21. Liability Insurance

The Company belongs to the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). MEARIE is a self-insurance plan that pools the risks of all of its members. Any losses experienced by MEARIE are shared amongst its members. As at December 31, 2020, the Company has not been made aware of any assessments for losses. Insurance premiums charged to each member consist of a levy per thousand of dollars of service revenue subject to a credit or surcharge based on each member's claims experience.

22. Share Capital

Authorized shares
Unlimited number of voting common shares without nominal or par value.
Issued shares
2020 2019
5,101,340 Common shares $ 5,101,340 $ 5,101,340

23. Miscellaneous Paid In Capital

Collingwood Public Utilities Commission was restructured November 1, 2000. The Ontario Government enacted the Energy Competition Act, 1998 which introduced competition to the Ontario electricity market. Net electricity distribution assets and liabilities of the original Collingwood Public Utilities Commission of $9,777,524 were transferred to the newly created Company on November 1, 2000, with off-setting credits from a promissory note of $1,710,170, common shares of $5,101,340 and miscellaneous paid in capital of $2,966,014 recorded.On October 31, 2019, the shareholder contributed $2,500,000 to the miscellaneous paid in capital. On January 31, 2020 and October 31, 2020, the shareholder contributed an additional $2,000,000 respectively.2020 2019
Miscellaneous Paid in Capital $ 9,466,014 $ 5,466,014
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24. Credit Facilities

Letter of Credit ("LOC") - Independent Electricity System Operator (IESO)
As at December 31, 2020, the Company's ultimate parent issued a $2,326,160 (2019 - $2,326,160) letter of credit for a standby letter of credit that was provided to the IESO to mitigate the risk of default on energy payments. The IESO can draw on the letter of credit if the Company defaults on its payment.
The Company is charged a monthly fee related to the letter of credit. For the year ended December 31, 2020 the feeincurred was $16,096 (2019 - $13,039).
Parental Guarantee - Town of Collingwood
The Company's ultimate parent provided a parental guarantee to the Town of Collingwood for the Share Purchase Agreement of $25,360,000, which was cancelled August 31, 2019 upon completion of the transaction obligations. The Company's parent also provided a guarantee to the Town of Collingwood for the assumed Infrastructure Ontario loans of $6,686,479, which is currently still in place. The Company is charged a

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monthly fee related to the parental
guarantee. For the year ended December 31, 2020 the fee incurred was $9,390
(2019 - $30,528).25. Finance Expenses
2020 2019
Interest earned on bank account $ (15,343) $ (65,738)
Net interest on employee future benefits 25,292 31,453
Interest on customer deposits 6,706 8,523
Letter of Credit fees - IESO 16,096 13,039
Letter of Guarantee fees - Town of Collingwood 9,390 30,528
Interest on short-term debt 77,269 136,539
Interest on long-term debt 639,260 642,224
Corporate tax late payment penalty - 2,963
Interest on lease obligation 62,616 64,362
$ 821,286 $ 863,893
26. Bad Debt Expense
2020 2019
Write-offs $ 65,995 $ 73,966
Recoveries (20,912) (27,041)
Opening allowance (134,011) (132,046)
Closing allowance 169,640 134,011
$ 80,712 $ 48,890
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
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27. Depreciation and Amortization
2020 2019
Property, plant and equipment $ 1,352,150 $ 1,227,930
Lease liabilities 171,930 171,930
Less vehicle depreciation, burdened to other accounts (249,028) (232,366)
1,275,052 1,167,494
Capital contributions paid 12,298 12,298
Software 44,075 35,850
Deferred charges 8,160 8,160
1,339,585 1,223,802
Less net regulatory movement related to deferred charges (8,160) (8,160)
$ 1,331,425 $ 1,215,642
28. Related Party Balances and Transactions
The Company is indirectly 100% owned by EPCOR Utilities Inc., which is in
turn 100% owned by the City of
Edmonton. The Company provides operations management, maintenance, repair,
engineering services, system
control and general plant services to EPCOR and its subsidiaries and
purchases services from EPCOR and its
subsidiaries relating to operational and inventory management,
administration, maintenance, repair, utilities, facilities,
general plant use, employee costs, executive oversight, legal, finance,
treasury, audit, human resources, procurement,
and information technology services pursuant to service agreements.
Transactions between the Company and its
related parties are in the normal course of operations, and are generally
based on normal commercial rates, asapproved by regulation.
The following summarizes the Company's related party transactions with EPCOR
and its subsidiaries:2020 2019
Statements of Comprehensive Income:
Administrative and Information technology service revenue $ 175,249 $ 138,290

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Interest expense $ 456,161 $ 530,087
Shared corporate services $ 1,244,844 $ 1,106,009
Statements of Financial Position:
Property, plant and equipment purchases $ 6,726 $ 258,339
Shareholder contribution - Miscellaneous paid in capital $ 4,000,000 $ 2,500,000
The following summarizes the Company's related party balances with EPCOR and its subsidiaries:Statements of Financial Position:
Trade and other receivables $ 155,296 $ 244,950
Trade and other payables $ 40,436 $ 137,805
Short-term debt $ 26,293 $ 5,180,842
Long-term debt $ 10,120,000 $ 8,100,000
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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
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29. Financial Instruments
Fair value
The carrying amounts of cash, trade and other receivables, trade and other payables and certain other liabilities
(including customer deposits) approximate their fair values due to the short-term nature of these instruments.
The carrying amounts and fair values of the Company's remaining financial instruments measured at amortized costare as follows:
2020 2019
Carrying Fair Carrying Fair
Amount Value Amount Value
Long-term debt (Note 18) $ 17,196,841 $ 20,700,944 $ 15,643,784 $ 15,643,784
Loans and borrowings
Short-term debt is measured at amortized cost and the carrying value approximates the fair value due to the shortterm
nature of these financial instruments.
The fair value of the Company's long-term debt is based on determining a current yield for the Company's debt as at
December 31, 2020 and December 31, 2019. This yield is based on an estimated credit spread for the Company over
the yields of long-term Government of Canada bonds for Canadian dollar loans that have similar maturities to the
Company's debt. The estimated credit spread is based on the Company's indicative spread as published byindependent financial institutions.
30. Net Change in Non-cash Working Capital Balances
The net change in non-cash working capital balances consists of:
2020 2019
Trade and other receivables $ 1,250,391 $ (742,647)
Inventories (133,196) 8,624
Prepaid expenses 41,590 73,785
Trade and other payables 118,818 (1,602,031)
Customer deposits and credits 580,321 (67,324)
Employee future benefits (29,703) 3,805
Payments in lieu of corporate taxes paid - (172,932)
Net (increase) decrease in regulatory deferrals (1,530,716) 361,928
$ 297,505 $ (2,136,792)
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31. Capital Management
The Company's primary objectives when managing capital are to safeguard the ability to continue as a going concern,
pay dividends to its shareholder in accordance with the Company's dividend policy, and maintain an investment grade
credit rating. The Company manages its capital structure in a manner consistent with the risk characteristics of the
underlying assets and in accordance with OEB regulatory decisions. This overall objective and policy for managing
capital remained unchanged in the current year from the prior year.
The Company manages capital through regular monitoring of cash and currency requirements by preparing short-term
and long-term cash flow forecasts and reviewing monthly financial results. The Company matches the maturity profiles
of financial assets and liabilities to identify financing requirements to help ensure an adequate amount of liquidity.
The Company considers its capital structure to consist of long-term and short-term debt net of cash and shareholder's
equity. The following table represents the Company's total capital:
2020 2019
Loans and borrowings (including current portion) (Notes 13 & 18) $ 17,223,134
$ 20,824,626Cash (10,404) (1,470,614)
Net debt 17,212,730 19,354,012
Total equity 15,253,709 11,472,981
Total Capital $ 32,466,439 $ 30,826,993
To manage or adjust its capital structure, the Company can issue new debt, repay existing debt or issue or redeemcommon units.
32. Financial Risk Management
Overview
As part of its operations, the Company carries out transactions that expose it to financial risks such as credit, liquidity
and market risks. The following is a discussion of risks and related mitigation strategies that have been identified by
the Company for financial instruments. This is not an exhaustive list of all risks, nor will the mitigation strategieseliminate all risks identified.
Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest
rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk
management is to manage and control market risk exposures within acceptable limits.
The Company does not have any direct exposure to foreign currency exchange rate risk or commodity price risk. The
Company had no forward exchange rate contracts or commodity price contracts in place as at or during the yearended December 31, 2020.
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Note 19
describes the interest rate risk associated with Employee Future Benefits. The Company is also exposed to interest
rate fluctuations on its cash and short-term debt. The Company is protected from interest rate fluctuations on longterm
debt for Infrastructure Ontario and EPCOR Utilities Inc., which bear fixed rates of interest. As at December 31,
2020, if interest rates had been 1% lower or higher with all other variables held constant, net income for the year wouldnot have been impacted materially.

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32. Financial Risk Management Continued
Credit risk
Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. The maximum credit exposure is limited to the carrying amount of cash, accounts receivable, and unbilled energy revenue presented on the statement of financial position.
The COVID-19 outbreak and resulting measures introduced by various governments and municipalities have resulted in economic slowdown. The economic slowdown together with measures by various governments preventing utility companies from disconnecting customers for non-payment and allowing certain utility customers to defer payments of their utility bills for a limited period, have increased the credit risk of the Company.
The Company limits its exposure to credit loss by placing its cash with a high credit quality financial institution. The Company maintains cash with one major financial institution. Eligible deposits per financial institution are insured to a maximum basic insurance level of $100,000, including principal and interest by the Canada Deposit InsuranceCorporation.
The Company is exposed to credit risk related to accounts receivable and unbilled energy revenue arising from its dayto-day electricity and service revenue. Exposure to credit risk is limited due to the Company's large and diverse customer base. The corporation has approximately 18,000 customers, the majority of which are residential. No single customer accounts for revenue in excess of 10% of total revenue. The corporation limits its credit risk by collecting deposits, purchasing commercial account credit insurance, following collection policies, monitoring accounts receivable aging, and utilizing collection agencies. The Ontario Energy Board has prescribed certain rules for the collection of deposits from customers and the application of collection procedures. The corporation does not have any material accounts receivable balances greater than 90 days outstanding. The corporation believes that its accountsreceivable represent a low credit risk.
The carrying amount of accounts receivable is reduced through the use of an allowance for doubtful accounts and the amount of the related impairment loss is recognized in net income. The provision is based on account age and customer standing. Subsequent recoveries of receivables previously provisioned are credited to net income. (Note 26)
The Company, in view of the COVID-19 pandemic and related economic impacts including the temporary deferral of customer payments, has adjusted the provision to account for higher level of potential customer defaults. The adjustment has resulted in recording an additional provision of $20,712 for the year ended December 31, 2020. Given the high degree of volatility caused by the COVID-19 outbreak, the estimates and judgments made by management in the preparation of the allowance are subject to a higher degree of estimation

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uncertainty compared to previous years.
The Company continues to monitor the situation, including information related to realized credit losses from customers and further pronouncements from governments and regulators, and if required, will make adjustments to the allowance in future periods. In response to COVID-19 the OEB issued an accounting order on March 25, 2020 allowing electricity distributors to track incremental bad debt expenses and subsequently apply for recovery as well as other incremental costs and foregone revenue.
The value of accounts receivable, by age, and the related expected credit loss allowance are presented in the following table. Unbilled energy revenue is considered all current.
Receivables greater than 30 days are consideredpast due.

	2020	2019
Under 30 days	$ 7,610,331	$ 9,117,357
30 to 60 days	135,787	143,144
61 to 90 days	114,016	50,076
Over 90 days	625,378	389,697
	8,485,512	9,700,274
Expected credit loss allowance	169,640	134,011
Total accounts receivable	$ 8,315,872	$ 9,566,263

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EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
32. Financial Risk Management Continued
Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the corporation's reputation. The Company's exposure is reduced by cash generated from operations and credit facility capacity with the ultimate parent company EPCOR Utilities Inc. The Company engages in borrowing to meet financing needs that exceed cash from operations. Exposure to such risks is significantly reduced through close monitoring of cash flows and budgeting. Liquidity risks associated with financial commitmentsare as follows:

	0 - 3 mo	3 mo - 1 yr	1 - 5 yr	Thereafter	Total
Short-term debt	$ 26,293	$ -	$ -	$ -	$ 26,293
Accounts payable(a)	4,776,554	-	-	-	4,776,554
Customer deposits/credits	-	1,682,413	-	-	1,682,413
Lease liability	36,313	108,939	686,487	582,328	1,414,067
Long-term debt	55,564	419,965	1,894,993	14,826,319	17,196,841
Interest payments	67,765	666,004	2,671,107	10,729,987	14,134,863
Total	$ 4,962,489	$ 2,877,321	$ 5,252,587	$ 26,138,634	$ 39,231,031

(a) Excluding accrued interest on short-term debt of $54,650 (2019 - $52,176).
The Company's undiscounted cash flow requirements and contractual maturities in the next twelve months of $4,962,489 will be funded from operating cash flows and additional loans and borrowings.
33. Summary of Changes in Liabilities Arising from Financing Activities

General Index of Financial Information

Notes to the financial statements

2019 Proceeds Repayment Other 2020
Accrued interest* $ 52,176 $ - $ - $ 2,474 $ 54,650
Lease liabilities 1,548,040 - (133,973) - 1,414,067
Short-term debt 5,180,842 58,858,953 (64,013,502) - 26,293
Long-Term debt 15,643,784 (2,020,000) (466,943) - 17,196,841
* Accrued interest is included within trade and other payables
34. Judicial Inquiry
The Company received a summons for the Town of Collingwood Judicial Inquiry
dated June 29, 2018. The
corporation was required to produce all documents related to the inquiry
concerning the 50% share sale of
Collingwood Utility Services Corp. to PowerStream Inc. The Town of
Collingwood Judicial Inquiry is an independent
inquiry established pursuant to section 274(1) of the Municipal Act 2001,
pursuant to a majority vote of the Council of
the Town of Collingwood. The inquiry concluded its public hearings on
December 2, 2019. The report is was releasedon November 3, 2020.
The corporation incurred legal expense or legal expense reimbursements to
others related to the judicial inquiry of
$61,268 (2019 - $1,211,691) (2018 - $172,845) during the year. In 2019,
insurance proceeds of $112,500 and an
indemnity from the Town of Collingwood for $250,000 was used to offset these
costs.33
EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements (expressed in CDN$)
Years ended December 31, 2020 and 2019
35. Operating Expenses
2020 2019
Labour $ 3,281,164 $ 2,805,151
Shared corporate services 1,244,844 1,106,009
Contractor and consultants 1,122,380 1,027,766
Vehicle expenses 371,943 367,779
Vehicle burden allocation (280,658) (267,879)
Stock, materials, clothing and equipment 306,167 412,139
Office, printing, postage 239,935 222,193
Insurance 143,146 120,589
Licences, memberships and dues 137,116 138,465
Bad debts (Note 26) 80,712 48,890
Regulatory 75,114 74,444
Rent and storage 69,686 63,460
Telephone and utilities 61,709 59,349
Legal 61,268 1,332,455
Legal recoveries - (362,500)
Training and recognition 49,538 75,353
Audit 41,610 39,750
Property taxes 18,716 18,980
Advertising, donations and promotion 12,501 24,328
Travel, meals and entertainment 12,331 61,939
Foreign exchange loss 5,407 562
$ 7,054,629 $ 7,369,222
Represented by:
Billing and collecting 1,296,411 1,232,700
Operations and maintenance 2,785,780 2,278,270
General and administrative 2,137,588 3,076,554
Other recoverable expenses 825,081 769,866
Donations and Low-Income Energy Assistance Program 9,769 11,832

Corporation's name	Business number	Tax year end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2020-12-31

General Index of Financial Information

Notes to the financial statements

$ 7,054,629 $ 7,369,222
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SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2020-12-31

Assets – lines 1000 to 2599

1000	10,404	1060	8,315,872	1066	92,803
1120	666,065	1484	128,710	1599	9,213,854
1740	37,800,642	1741	-7,448,909	2008	37,800,642
2009	-7,448,909	2010	852,312	2011	-235,459
2012	276,704	2178	1,129,016	2179	-235,459
2420	1,332,456	2421	678,115	2424	4,826,965
2589	6,837,536	2599	47,296,680		

Liabilities – lines 2600 to 3499

2620	4,831,204	2700	475,529	2860	26,293
2920	272,109	2961	1,682,413	3139	7,287,548
3140	16,721,312	3220	5,592,166	3320	2,441,945
3450	24,755,423	3499	32,042,971		

Shareholder equity – lines 3500 to 3640

3500	5,101,340	3540	9,466,014	3580	-164,939
3600	851,294	3620	15,253,709	3640	47,296,680

Retained earnings – lines 3660 to 3849

3660	1,070,566	3680	-219,272	3849	851,294

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2020-12-31

Description

Sequence number **0003** 01

Revenue – lines 8000 to 8299

8000	49,848,060	**8089**	49,848,060	**8090**	15,343
8210	-63,218	**8230**	2,913,920	**8299**	52,714,105

Cost of sales – lines 8300 to 8519

8320	43,853,252	**8518**	43,853,252	**8519**	5,994,808

Operating expenses – lines 8520 to 9369

8524	12,501	**8570**	56,373	**8590**	80,712
8670	1,275,052	**8690**	143,146	**8710**	836,629
8760	137,116	**8810**	239,935	**8860**	1,225,258
8876	49,538	**8910**	69,686	**9060**	3,281,164
9130	318,103	**9180**	18,716	**9200**	12,331
9220	61,709	**9270**	80,521	**9281**	91,285
9285	1,244,844	**9367**	9,234,619	**9368**	53,087,871
9369	-373,766				

Extraordinary items and taxes – lines 9970 to 9999

9970	-373,766	**9990**	-3,878	**9995**	-150,616
9999	-219,272				

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
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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			-219,272	A
Add:				
Provision for income taxes – current	101	-3,878		
Provision for income taxes – deferred	102	-150,616		
Amortization of tangible assets	104	1,275,052		
Amortization of intangible assets	106	56,373		
Loss on disposal of assets	111	63,218		
Non-deductible meals and entertainment expenses	121	1,044		
Reserves from financial statements – balance at the end of the year	126	876,311		
Subtotal of additions		2,117,504 ▶	2,117,504	

Other additions:

Miscellaneous other additions:

	1 Description 605	2 Amount 295
1	STIP over Accrual	6,898
2	Vehicle burden amortization adjustment	65,494
3	Lease Interest Expense	62,616
	Total of column 2	135,008

Total of column 2 ▶	296	135,008		
Subtotal of other additions	199	135,008 ▶	135,008	D
Total additions	500	2,252,512 ▶	2,252,512	
Amount A **plus** line 500			2,033,240	B
Deduct:				
Capital cost allowance from Schedule 8	403	2,151,512		
Reserves from financial statements – balance at the beginning of the year	414	880,722		
Subtotal of deductions		3,032,234 ▶	3,032,234	

Other deductions:

Miscellaneous other deductions:

	1 Description 705	2 Amount 395
1	Accounting amortization - Contributions	121,960
2	IFRS 16 lease liability adjustment	197,547
3	STIP over Accrual PY amount	2,807
	Total of column 2	322,314

Total of column 2 ▶	396	322,314		
Subtotal of other deductions	499	322,314 ▶	322,314	E
Total deductions	510	3,354,548 ▶	3,354,548	
Net income (loss) for income tax purposes (amount B **minus** line 510)			-1,321,308	C

Enter amount C on line 300 of the T2 return.

Canada Revenue Agency | Agence du revenu du Canada

Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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			-1,321,308	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")			-1,321,308	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)			-1,321,308	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")			-1,321,308	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		1,696,575	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	1,696,575	▶	1,696,575	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	1,321,308	h		
Subtotal (amount g **plus** amount h)		1,321,308	▶	1,321,308	I
Subtotal (amount H **plus** amount I)				3,017,883	J

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

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

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

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

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150		i		
Section 80 – Adjustments for forgiven amounts	140		j		
Subsection 111(10) – Adjustments for fuel tax rebate			j.1		
Non-capital losses of previous tax years applied in the current tax year Enter amount k on line 331 of the T2 Return.	130		k		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135		l		
Subtotal (total of amounts i to l)			▶		K
Non-capital losses before any request for a carryback (amount J **minus** amount K)				3,017,883	L

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

First previous tax year to reduce taxable income	901		m		
Second previous tax year to reduce taxable income	902		n		
Third previous tax year to reduce taxable income	903		o		
First previous tax year to reduce taxable dividends subject to Part IV tax	911		p		
Second previous tax year to reduce taxable dividends subject to Part IV tax	912		q		
Third previous tax year to reduce taxable dividends subject to Part IV tax	913		r		
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)			▶		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L **minus** amount M)				180 3,017,883	N

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200		a		
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205		b		
Subtotal (amount a **plus** amount b)			▶		A
Deduct:					
Other adjustments (includes adjustments for an acquisition of control)	250		c		
Section 80 – Adjustments for forgiven amounts	240		d		
Subtotal (amount c **plus** amount d)			▶		B
Subtotal (amount A **minus** amount B)					C
Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)				210	D
Unused non-capital losses that expired in the tax year (note 4)			e		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)			f		
Enter amount e or f, whichever is less	215		g		
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000				220	E
Subtotal (total of amounts C to E)					F

Note

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

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

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

Part 2 – Capital losses (continued)

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

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

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

	Capital gain (100%)		Amount carried back (100%)	
First previous tax year		951		h
Second previous tax year		952		i
Third previous tax year		953		j

Subtotal (total of amounts h to j) ______ ▶ ______ I

Closing balance of capital losses to be carried forward to future tax years (amount H **minus** amount I) **280** ______ J

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

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

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year . . . . ______ a

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

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

Add:

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

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

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

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

Deduct:

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

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

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

Enter amount g on line 334 of the T2 Return.

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

Subtotal (total of amounts e to h) ______ ▶ ______ D

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

Deduct – **Request to carry back farm loss to:**

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

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

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

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

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

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

Subtotal (total of amounts i to n) ______ ▶ ______ F

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

Note 8: A farm loss expires as follows:

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

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business			485		A
Minus the deductible farm loss:					
(amount A above ______ – $2,500) **divided** by 2 =		a			
Amount a or $ 15,000 (note 10), whichever is less				b	
		2,500	c		
Subtotal (amount b **plus** amount c)		2,500	▶	2,500	B
Current-year restricted farm loss (amount A **minus** amount B)					C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year			d		
Deduct: Restricted farm loss expired (note 11)	400		e		
Restricted farm losses at the beginning of the tax year (amount d **minus** amount e)	402		▶		D
Add:					
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405		f		
Current-year restricted farm loss (from amount C)	410		g		
Enter amount g on line 233 of Schedule 1, *Net Income (Loss) for Income Tax Purposes*.					
Subtotal (amount f **plus** amount g)			▶		E
Subtotal (amount D **plus** amount E)					F
Deduct:					
Restricted farm losses from previous tax years applied against current farming income	430		h		
Enter amount h on line 333 of the T2 return.					
Section 80 – Adjustments for forgiven amounts	440		i		
Other adjustments	450		j		
Subtotal (total of amounts h to j)			▶		G
Restricted farm losses before any request for a carryback (amount F **minus** amount G)					H
Deduct – Request to carry back restricted farm loss to:					
First previous tax year to reduce farming income	941		k		
Second previous tax year to reduce farming income	942		l		
Third previous tax year to reduce farming income	943		m		
Subtotal (total of amounts k to m)			▶		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H **minus** amount I)			480		J

Note

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

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

Note 11: A restricted farm loss expires as follows:
- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year			a		
Deduct: Listed personal property loss expired after 7 tax years	500		b		
Listed personal property losses at the beginning of the tax year (amount a **minus** amount b)	502		▶		A
Add: Current-year listed personal property loss (from Schedule 6)			510		B
Subtotal (amount A **plus** amount B)					C
Deduct:					
Listed personal property losses from previous tax years applied against listed personal property gains	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	1,321,308			N/A		1,321,308
1st preceding taxation year 2019-12-31	1,636,219	N/A		N/A			1,636,219
2nd preceding taxation year 2018-12-31	60,356	N/A		N/A			60,356
3rd preceding taxation year 2018-09-30		N/A		N/A			
4th preceding taxation year 2016-12-31		N/A		N/A			
5th preceding taxation year 2015-12-31		N/A		N/A			
6th preceding taxation year 2014-12-31		N/A		N/A			
7th preceding taxation year 2013-12-31		N/A		N/A			
8th preceding taxation year 2012-12-31		N/A		N/A			
9th preceding taxation year 2011-12-31		N/A		N/A			
10th preceding taxation year 2010-12-31		N/A		N/A			
11th preceding taxation year 2009-12-31		N/A		N/A			
12th preceding taxation year 2008-12-31		N/A		N/A			
13th preceding taxation year 2007-12-31		N/A		N/A			
14th preceding taxation year 2006-12-31		N/A		N/A			
15th preceding taxation year 2005-12-31		N/A		N/A			
16th preceding taxation year 2004-12-31		N/A		N/A			
17th preceding taxation year 2003-12-31		N/A		N/A			
18th preceding taxation year 2002-12-31		N/A		N/A			
19th preceding taxation year 2001-12-31		N/A		N/A			
20th preceding taxation year 2000-12-31		N/A		N/A			*
Total	1,696,575	1,321,308					3,017,883

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2020-12-31

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

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

	1 Class number * See note 1 **200**	Description	2 Undepreciated capital cost (UCC) at the beginning of the year **201**	3 Cost of acquisitions during the year (new property must be available for use) See note 2 **203**	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3 **225**	5 Adjustments and transfers See note 4 **205**	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5 **221**	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6 **222**	8 Proceeds of dispositions See note 7 **207**	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions) **211**
1.	1	Building	5,271,258						0	
2.	8	Equipment	291,498	23,373	23,373				0	
3.	10	Vehicles	869,452	463,574	463,574				40,530	
4.	47	Electricity Assets and Smart meters	14,361,969	2,267,489	2,267,489				11,936	
5.	50	Computer equipment	399,489	39,851	39,851				0	
6.	12	Software	61,826	5,385	5,385				0	
7.	14.1	Goodwill	305,084						0	
		Totals	21,560,576	2,799,672	2,799,672				52,466	

	1 Class number * See note 1 **200**	Des-crip-tion	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 **224**	14 CCA rate % See note 11 **212**	15 Recapture of CCA See note 12 **213**	16 Terminal loss See note 13 **215**	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 **217**	18 UCC at the end of the year (column 9 **minus** column 17) **220**
1.	1	Buildin	5,271,258					4	0	0	210,850	5,060,408
2.	8	Equipn	314,871		23,373	11,687		20	0	0	60,637	254,234
3.	10	Vehicle	1,292,496	40,530	423,044	211,522		30	0	0	324,292	968,204
4.	47	Electric	16,617,522	11,936	2,255,553	1,127,777		8	0	0	1,239,180	15,378,342

	1 Class number * See note 1 200	Des-crip-tion	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 224	14 CCA rate % See note 11 212	15 Recapture of CCA See note 12 213	16 Terminal loss See note 13 215	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 217	18 UCC at the end of the year (column 9 **minus** column 17) 220
5.	50	Compu	439,340		39,851	19,926		55	0	0	230,678	208,662
6.	12	Softwa	67,211		5,385			100	0	0	64,519	2,692
7.	14.1	Goodw	305,084					7	0	0	21,356	283,728
		Totals	24,307,782	52,466	2,747,206	1,370,912					2,151,512	22,156,270

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).

Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.

Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.

Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
- an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).

Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.

Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).

Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:

- 2 1/3 for property in Classes 43.1 and 54;
- 1 1/2 for property in Class 55;
- 1 for property in Classes 43.2 and 53;
- 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
- 0.5 for all other property that is AIIP.

Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.

Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.

Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1;
- property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.

Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
- Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
- Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return.

Tax return

Additions for tax purposes – Schedule 8 regular classes		2,799,672		
Additions for tax purposes – Schedule 8 leasehold improvements	+			
Operating leases capitalized for book purposes	+			
Capital gain deferred	+			
Recapture deferred	+			
Deductible expenses capitalized for book purposes – Schedule 1	+			
Other (specify):				
CWIP additions not included in Schedule 8	+	81,609		
13(7.4) election amount	+	1,455,257		
Burdened vehicle amortization - not incl in PP&E Cont/Schedule 8	+	-249,028		
Lease amortization - not incl in PP&E amortization	+	171,930		
Rounding	+	-1		
Total additions per books	=	4,259,439	▶	4,259,439
Proceeds up to original cost – Schedule 8 regular classes		52,466		
Proceeds up to original cost – Schedule 8 leasehold improvements	+			
Proceeds in excess of original cost – capital gain	+			
Recapture deferred – as above	+			
Capital gain deferred – as above	+			
Pre V-day appreciation	+			
Other (specify):				
	+			
Total proceeds per books	=	52,466	▶ –	52,466
Depreciation and amortization per accounts – Schedule 1			–	1,331,425
Loss on disposal of fixed assets per accounts			–	63,218
Gain on disposal of fixed assets per accounts			+	
Net change per tax return			=	2,812,330

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		31,245,290
Opening net book value	–	28,432,960
Net change per financial statements	=	2,812,330

If the amounts from the tax return and the financial statements differ, explain why below.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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.	130 Regional Water Supply Corpora	US	NR	3					
2.	1772387 Alberta Ltd.		84600 5379 RC0001	3					
3.	812244 Alberta Ltd.		87711 5220 RC0001	3					
4.	Alamo Pipeline LLC	US	NR	3					
5.	EPCOR 130 Project Inc.	US	NR	3					
6.	EPCOR Britannia Water Inc.		85994 1437 RC0001	3					
7.	EPCOR Collingwood Distribution Co		78224 5088 RC0001	3					
8.	EPCOR Collingwood Energy Inc.		87011 2125 RC0001	3					
9.	EPCOR Collingwood Services Corp.		87011 2323 RC0001	1					
10.	EPCOR Consumer Services Inc.		82022 2503 RC0001	3					
11.	EPCOR Distribution & Transmission		88355 1426 RC0002	3					
12.	EPCOR Electricity Solutions Ontario		86616 8636 RC0001	3					
13.	EPCOR Energy Alberta GP Inc.		84543 1774 RC0001	3					
14.	EPCOR Gas Texas Inc.	US	NR	3					
15.	EPCOR GL Industrial Water Inc.		73251 2488 RC0001	3					
16.	EPCOR Holdings East Inc.		75341 8912 RC0001	3					
17.	EPCOR Infrastructure Inc.		76128 8513 RC0001	3					
18.	EPCOR Ontario Utilities Inc.		74411 6096 RC0001	3					
19.	EPCOR Power Development Corpora		87714 8627 RC0006	3					
20.	EPCOR Preferred Equity Inc.		86210 4486 RC0001	3					
21.	EPCOR Services Inc.	US	NR	3					
22.	EPCOR Southern Bruce Gas Inc.		77823 9921 RC0001	3					
23.	EPCOR Technologies (Logistics) Inc		86845 7938 RC0001	3					
24.	EPCOR Technologies Inc.		13378 9370 RC0001	3					
25.	EPCOR USA Inc.	US	NR	3					
26.	EPCOR Utilities Holdings Inc.		85508 8761 RC0001	3					
27.	EPCOR Utilities Inc.		89323 8253 RC0001	3					
28.	EPCOR Water (Central) Inc.		83717 7955 RC0002	3					
29.	EPCOR Water (East) Inc.		85314 3923 RC0001	3					
30.	EPCOR Water (West) Inc.		86993 3986 RC0001	3					
31.	EPCOR Water Arizona Inc	US	NR	3					
32.	EPCOR Water Development (West)		89800 5509 RC0001	3					
33.	EPCOR Water New Mexico Inc.	US	NR	3					
34.	EPCOR Water Prairies Inc.		80404 0939 RC0001	3					
35.	EPCOR Water Services Inc.		89322 8742 RC0001	3					
36.	Goliad Midstream Energy LLC	US	NR	3					
37.	Hughes Gas Resources Inc.	US	NR	3					
38.	Pinehurst Utility Construction LLC	US	NR	3					
39.	Rio Verde Utilities Inc.	US	NR	3					
40.	EPCOR Gold Bar RNG Inc.		74092 3875 RC0001	3					
41.	EPCOR RNG Management Inc.		74053 9333 RC0001	3					

	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
42.	EPCOR Gas Texas Development anc	US	NR	3					

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

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

T2 SCH 9 (11) Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee future benefits	874,722		1,589		876,311
2	LTD Benefits Liability	6,000			6,000	
3						
	Reserves from Part 2 of Schedule 13					
	Totals	880,722		1,589	6,000	876,311

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1 as a deduction.
The total closing balance should be entered on line 126 of Schedule 1 as an addition.

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Schedule 23

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

1 – Associated for purposes of allocating the business limit (unless association code 5 applies)

2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation

3 – Non-CCPC that is a **third corporation**

4 – Associated non-CCPC

5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . . **050** Year 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** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**
1	EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	1	500,000		
2	130 Regional Water Supply Corporation	NR	4			
3	1772387 Alberta Ltd.	84600 5379 RC0001	1	500,000		
4	812244 Alberta Ltd.	87711 5220 RC0001	1	500,000		
5	Alamo Pipeline LLC	NR	4			
6	EPCOR 130 Project Inc.	NR	4			
7	EPCOR Britannia Water Inc.	85994 1437 RC0001	1	500,000		
8	EPCOR Collingwood Distribution Corp.	78224 5088 RC0001	1	500,000		
9	EPCOR Collingwood Energy Inc.	87011 2125 RC0001	1	500,000		
10	EPCOR Collingwood Services Corp.	87011 2323 RC0001	1	500,000		
11	EPCOR Consumer Services Inc.	82022 2503 RC0001	1	500,000		
12	EPCOR Distribution & Transmission Inc.	88355 1426 RC0002	1	500,000		
13	EPCOR Electricity Solutions Ontario Inc.	86616 8636 RC0001	1	500,000		
14	EPCOR Energy Alberta GP Inc.	84543 1774 RC0001	1	500,000		
15	EPCOR Gas Texas Inc.	NR	4			
16	EPCOR GL Industrial Water Inc.	73251 2488 RC0001	1	500,000		
17	EPCOR Holdings East Inc.	75341 8912 RC0001	1	500,000		
18	EPCOR Infrastructure Inc.	76128 8513 RC0001	1	500,000		

	1 Name of associated corporations 100	2 Business number of associated corporations 200	3 Asso-ciation code 300	4 Business limit for the year before the allocation $	5 Percentage of the business limit % 350	6 Business limit allocated* $ 400
19	EPCOR Ontario Utilities Inc.	74411 6096 RC0001	1	500,000		
20	EPCOR Power Development Corporation	87714 8627 RC0006	1	500,000	100.0000	500,000
21	EPCOR Preferred Equity Inc.	86210 4486 RC0001	1	500,000		
22	EPCOR Services Inc.	NR	4			
23	EPCOR Southern Bruce Gas Inc.	77823 9921 RC0001	1	500,000		
24	EPCOR Technologies (Logistics) Inc.	86845 7938 RC0001	1	500,000		
25	EPCOR Technologies Inc.	13378 9370 RC0001	1	500,000		
26	EPCOR USA Inc.	NR	4			
27	EPCOR Utilities Holdings Inc.	85508 8761 RC0001	1	500,000		
28	EPCOR Utilities Inc.	89323 8253 RC0001	1	500,000		
29	EPCOR Water (Central) Inc.	83717 7955 RC0002	1	500,000		
30	EPCOR Water (East) Inc.	85314 3923 RC0001	1	500,000		
31	EPCOR Water (West) Inc.	86993 3986 RC0001	1	500,000		
32	EPCOR Water Arizona Inc	NR	4			
33	EPCOR Water Development (West) Inc.	89800 5509 RC0001	1	500,000		
34	EPCOR Water New Mexico Inc.	NR	4			
35	EPCOR Water Prairies Inc.	80404 0939 RC0001	1	500,000		
36	EPCOR Water Services Inc.	89322 8742 RC0001	1	500,000		
37	Goliad Midstream Energy LLC	NR	4			
38	Hughes Gas Resources Inc.	NR	4			
39	Pinehurst Utility Construction LLC	NR	4			
40	Rio Verde Utilities Inc.	NR	4			
41	EPCOR Gold Bar RNG Inc.	74092 3875 RC0001	1	500,000		
42	EPCOR RNG Management Inc.	74053 9333 RC0001	1	500,000		
43	EPCOR Gas Texas Development and Services I	NR	4			
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula 0.225% x (C - $10,000,000). Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	EPCOR Collingwood Services Corp.	870112323RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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	47,296,680
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	10,002,943,127
Total assets (total of lines 112 to 116)		10,050,239,807
Total revenue of the corporation for the tax year **	142	52,714,105
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	832,584,093
Total revenue (total of lines 142 to 146)		885,298,198

The corporation is subject to CMT if:
- for tax years ending before July 1, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are more than $5,000,000, or the total revenue for the year of the corporation or the associated group of corporations is more than $10,000,000.
- for tax years ending after June 30, 2010, the total assets at the end of the year of the corporation or the associated group of corporations are equal to or more than $50,000,000, and the total revenue for the year of the corporation or the associated group of corporations is equal to or more than $100,000,000.

If the corporation is not subject to CMT, do not complete the remaining parts unless the corporation is deducting a CMT credit, or has a CMT credit carryforward, a CMT loss carryforward, a current year CMT loss, or SAT payable in the year.

* **Rules for total assets**
- Report total assets according to generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Do not include unrealized gains and losses on assets and foreign currency gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.
- The amount on line 114 is determined at the end of the last fiscal period of the partnership or joint venture that ends in the tax year of the corporation. Add the proportionate share of the assets of the partnership(s) and joint venture(s), and deduct the recorded asset(s) for the investment in partnerships and joint ventures.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

** **Rules for total revenue**
- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the tax year is less than 51 weeks, **multiply** the total revenue of the corporation or the partnership, whichever applies, by 365 and **divide** by the number of days in the tax year.
- The amount on line 144 is determined for the partnership or joint venture fiscal period that ends in the tax year of the corporation. If the partnership or joint venture has 2 or more fiscal periods ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.
- A corporation's share in a partnership or joint venture is determined under paragraph 54(5)(b) of the Ontario Act and, if the partnership or joint venture had no income or loss, is calculated as if the partnership's or joint venture's income were $1 million. For a corporation with an indirect interest in a partnership or joint venture, determine the corporation's share according to paragraph 54(5)(c) of the Ontario Act.

Part 2 – Adjusted net income/loss for CMT purposes

	Line	Amount	Line	Amount	
Net income/loss per financial statements *			210	-219,272	
Add (to the extent reflected in income/loss):					
Provision for current income taxes/cost of current income taxes	220				
Provision for deferred income taxes (debits)/cost of future income taxes	222				
Equity losses from corporations	224				
Financial statement loss from partnerships and joint ventures	226				
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230				
Other additions (see note below):					
Share of adjusted net income of partnerships and joint ventures **	228				
Total patronage dividends received, not already included in net income/loss	232				
281	282				
283	284				
Subtotal					A
Deduct (to the extent reflected in income/loss):					
Provision for recovery of current income taxes/benefit of current income taxes	320	3,878			
Provision for deferred income taxes (credits)/benefit of future income taxes	322	150,616			
Equity income from corporations	324				
Financial statement income from partnerships and joint ventures	326				
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330				
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332				
Gain on donation of listed security or ecological gift	340				
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342				
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344				
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346				
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348				
Other deductions (see note below):					
Share of adjusted net loss of partnerships and joint ventures **	328				
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334				
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336				
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338				
381	382				
383	384				
385	386				
387	388				
389	390				
Subtotal		154,494		154,494	B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	-373,766	

If the amount on line 490 is positive and the corporation is subject to CMT as determined in Part 1, enter the amount on line 515 in Part 3.

If the amount on line 490 is negative, enter the amount on line 760 in Part 7 (enter as a positive amount).

Note

In accordance with *Ontario Regulation 37/09*, when calculating net income for CMT purposes, accounting income should be adjusted to:

– exclude unrealized gains and losses due to mark-to-market changes or foreign currency changes on specified mark-to-market property (assets only);
– include realized gains and losses on the disposition of specified mark-to-market property not already included in the accounting income, if the property is not a capital property or is a capital property disposed in the year or in a previous tax year ended after March 22, 2007.

"Specified mark-to-market property" is defined in subsection 54(1) of the Ontario Act.

These rules also apply to partnerships. A corporate partner's share of a partnership's adjusted income flows through on a proportionate basis to the corporate partner.

* **Rules for net income/loss**

– Banks must report net income/loss as per the report accepted by the Superintendent of Financial Institutions under the federal *Bank Act*, adjusted so consolidation and equity methods are not used.

Part 2 – Calculation of adjusted net income/loss for CMT purposes (continued)

– Life insurance corporations must report net income/loss as per the report accepted by the federal Superintendent of Financial Institutions or equivalent provincial insurance regulator, before SAT and adjusted so consolidation and equity methods are not used. If the life insurance corporation is resident in Canada and carries on business in and outside of Canada, **multiply** the net income/loss by the ratio of the Canadian reserve liabilities **divided** by the total reserve liability. The reserve liabilities are calculated in accordance with Regulation 2405(3) of the federal Act.

– Other corporations must report net income/loss in accordance with generally accepted accounting principles, except that consolidation and equity methods must not be used. When the equity method has been used for accounting purposes, equity losses and equity income are removed from book income/loss on lines 224 and 324 respectively.

– Corporations, other than insurance corporations, should report net income from line 9999 of the GIFI (Schedule 125) on line 210.

** The share of the adjusted net income of a partnership or joint venture is calculated as if the partnership or joint venture were a corporation and the tax year of the partnership or joint venture were its fiscal period. For a corporation with an indirect interest in a partnership through one or more partnerships, determine the corporation's share according to clause 54(5)(c) of the Ontario Act.

*** A joint election will be considered made under subsection 60(1) of the Ontario Act if there is an entry on line 342, and an election has been made for transfer of property to a corporation under subsection 85(1) of the federal Act.

**** A joint election will be considered made under subsection 60(2) of the Ontario Act if there is an entry on line 344, and an election has been made under subsection 85(2) or 97(2) of the federal Act.

***** A joint election will be considered made under subsection 61(1) of the Ontario Act if there is an entry on line 346, and an election has been made under subsection 13(4) or 14(6) and/or section 44 of the federal Act.

For more information on how to complete this part, see the *T2 Corporation – Income Tax Guide*.

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515		
Deduct:				
CMT loss available (amount R from Part 7)	760,754			
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available	760,754 ▶		760,754	C
Net income subject to CMT calculation (if negative, enter "0")		520		

Amount from line 520		x	Number of days in the tax year before July 1, 2010 / Number of days in the tax year	/ 366	x 4 % =	1
Amount from line 520		x	Number of days in the tax year after June 30, 2010 / Number of days in the tax year	366 / 366	x 2.7 % =	2
			Subtotal (amount 1 **plus** amount 2)			3

Gross CMT: amount on line 3 above x OAF **	540		
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")			D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")			E

Enter amount E on line 278 of Schedule 5, *Tax Calculation Supplementary – Corporations*, and complete Part 4.

* Enter the portion of CMT loss available that exceeds the adjusted net income for the tax year from carrying on a business before the acquisition of control. See subsection 58(3) of the Ontario Act.

*** Enter "0" on line 550 for life insurance corporations as they are not eligible for this deduction. For all other corporations, enter the cumulative total of amount J for the province of Ontario from Part 9 of Schedule 21 on line 550.

** **Calculation of the Ontario allocation factor (OAF):**

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "Ontario," enter "1" on line F.

If the provincial or territorial jurisdiction entered on line 750 of the T2 return is "multiple," complete the following calculation, and enter the result on line F:

Ontario taxable income **** / Taxable income ***** ________ = ________

Ontario allocation factor . . . . . 1.00000 F

**** Enter the amount allocated to Ontario from column F in Part 1 of Schedule 5. If the taxable income is nil, calculate the amount in column F as if the taxable income were $1,000.

***** Enter the taxable income amount from line 360 or amount Z of the T2 return, whichever applies. If the taxable income is nil, enter "1,000".

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		1,521	G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)		1,521	▶ 620	1,521	
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)				1,521	H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)					I
Subtotal (amount H **minus** amount I)				1,521	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	1,521	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)				1,521	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 ☐ 2 No ☒

If you answered **yes** to the question at line 675, the CMT credit deducted in the current tax year may be restricted. For information on how the deduction may be restricted, see subsections 53(6) and (7) of the Ontario Act.

Part 6 – Analysis of CMT credit available for carryforward by year of origin

Complete this part if:
- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	CMT credit balance *
10th previous tax year	680
9th previous tax year	681
8th previous tax year	682
7th previous tax year	683
6th previous tax year	684
5th previous tax year	685
4th previous tax year	686
3rd previous tax year	687
2nd previous tax year	688
1st previous tax year	689
Total **	

* CMT credit that was earned (by the corporation, predecessors of the corporation, and subsidiaries wound up into the corporation) in each of the previous 10 tax years and has not been deducted.

** Must equal the total of the amounts entered on lines 620 and 650 in Part 4.

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year *		760,754 Q		
Deduct:				
CMT loss expired *	700			
CMT loss carryforward at the beginning of the tax year * (see note below)		760,754 ►	720	760,754
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)				760,754 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")				760,754 S
Add:				
Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount)			760	373,766
CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760)			770	1,134,520 T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line Q the amount from line 770 of Schedule 510 from the previous tax year.

** Do not include an amount from a predecessor corporation if it was controlled at any time before the amalgamation by any of the other predecessor corporations.

Note: If you entered an amount on line 720 or line 750, complete Part 8.

Part 8 – Analysis of CMT loss available for carryforward by year of origin

Complete this part if:

- the tax year includes January 1, 2009; or
- the previous tax year-end is deemed to be December 31, 2008, under subsection 249(3) of the federal Act.

Year of origin	Balance earned in a tax year ending before March 23, 2007 *	Balance earned in a tax year ending after March 22, 2007 **
10th previous tax year	810	820
9th previous tax year	811	821
8th previous tax year	812	822
7th previous tax year	813	823
6th previous tax year	814	824
5th previous tax year	815	825
4th previous tax year	816	826
3rd previous tax year	817	827
2nd previous tax year	818	828
1st previous tax year		829
Total ***		

* Adjusted net loss for CMT purposes that was earned (by the corporation, by subsidiaries wound up into or amalgamated with the corporation before March 22, 2007, and by other predecessors of the corporation) in each of the previous 10 tax years that ended before March 23, 2007, and has not been deducted.

** Adjusted net loss for CMT purposes that was earned (by the corporation and its predecessors, but not by a subsidiary predecessor) in each of the previous 20 tax years that ended after March 22, 2007, and has not been deducted.

*** The total of these two columns must equal the total of the amounts entered on lines 720 and 750.

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SCHEDULE 511

ONTARIO CORPORATE MINIMUM TAX – TOTAL ASSETS AND REVENUE FOR ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	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 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
1	130 Regional Water Supply Corporation	NR	0	0
2	1772387 Alberta Ltd.	84600 5379 RC0001	0	0
3	812244 Alberta Ltd.	87711 5220 RC0001	0	0
4	Alamo Pipeline LLC	NR	0	0
5	EPCOR 130 Project Inc.	NR	0	0
6	EPCOR Britannia Water Inc.	85994 1437 RC0001	0	0
7	EPCOR Collingwood Distribution Corp.	78224 5088 RC0001	0	0
8	EPCOR Collingwood Energy Inc.	87011 2125 RC0001	0	0
9	EPCOR Collingwood Services Corp.	87011 2323 RC0001	0	0
10	EPCOR Consumer Services Inc.	82022 2503 RC0001	0	0
11	EPCOR Distribution & Transmission Inc.	88355 1426 RC0002	0	0
12	EPCOR Electricity Solutions Ontario Inc.	86616 8636 RC0001	0	0
13	EPCOR Energy Alberta GP Inc.	84543 1774 RC0001	0	0
14	EPCOR Gas Texas Inc.	NR	0	0
15	EPCOR GL Industrial Water Inc.	73251 2488 RC0001	0	0
16	EPCOR Holdings East Inc.	75341 8912 RC0001	0	0
17	EPCOR Infrastructure Inc.	76128 8513 RC0001	0	0
18	EPCOR Ontario Utilities Inc.	74411 6096 RC0001	0	0
19	EPCOR Power Development Corporation	87714 8627 RC0006	0	0
20	EPCOR Preferred Equity Inc.	86210 4486 RC0001	0	0
21	EPCOR Services Inc.	NR	0	0
22	EPCOR Southern Bruce Gas Inc.	77823 9921 RC0001	0	0
23	EPCOR Technologies (Logistics) Inc.	86845 7938 RC0001	0	0
24	EPCOR Technologies Inc.	13378 9370 RC0001	0	0
25	EPCOR USA Inc.	NR	0	0
26	EPCOR Utilities Holdings Inc.	85508 8761 RC0001	0	0
27	EPCOR Utilities Inc.	89323 8253 RC0001	2,799,902,824	182,994,623
28	EPCOR Water (Central) Inc.	83717 7955 RC0002	0	0

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
29	EPCOR Water (East) Inc.	85314 3923 RC0001	0	0
30	EPCOR Water (West) Inc.	86993 3986 RC0001	0	0
31	EPCOR Water Arizona Inc	NR	0	0
32	EPCOR Water Development (West) Inc.	89800 5509 RC0001	0	0
33	EPCOR Water New Mexico Inc.	NR	0	0
34	EPCOR Water Prairies Inc.	80404 0939 RC0001	0	0
35	EPCOR Water Services Inc.	89322 8742 RC0001	7,203,040,303	649,589,470
36	Goliad Midstream Energy LLC	NR	0	0
37	Hughes Gas Resources Inc.	NR	0	0
38	Pinehurst Utility Construction LLC	NR	0	0
39	Rio Verde Utilities Inc.	NR	0	0
40	EPCOR Gold Bar RNG Inc.	74092 3875 RC0001	0	0
41	EPCOR RNG Management Inc.	74053 9333 RC0001	0	0
42	EPCOR Gas Texas Development and Services Inc.	NR	0	0
		Total	450 10,002,943,127	550 832,584,093

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.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . EPCOR Electricity Distribution Ontario Inc.

Taxation Year . . . . 2020-01-01 to 2020-12-31

Jurisdiction . . . . Ontario

BC	AB	SK	MB	ON	QC	NB	NS	NO	PE	NL	XO	YT	NT	NU	OC
				X											

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . . 42

Type of corporation . . . . Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial* . . . .

* The amounts displayed on lines "Total amount due (refund) federal and provincial" are all listed in the help. Press F1 to consult the context-sensative help.

Summary of federal information

Net income		-1,321,308
Taxable income		
Donations		
Calculation of income from an active business carried on in Canada		
Dividends paid		
Dividends paid – Regular		
Dividends paid – Eligible		
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		5,626,367
Balance of the general rate income pool at the end of the year		5,626,367
Part I tax (base amount)		

Summary of federal carryforward/carryback information

Carryforward balances

Non-capital losses	3,017,883
Financial statement reserve	876,311

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-1,321,308		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			
Logging tax payable (COZ-1179)			
Tax payable	N/A		N/A

* For Québec, this includes special taxes.

** For Québec, this includes compensation tax and registration fee.

*** For Ontario, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations. The Balance due/Refund is included in the federal Balance due/refund.

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario

Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510	1,521
Corporate minimum tax loss that can be carried forward over 20 years – Schedule 510	1,134,520

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
EPCOR Electricity Distribution Ontario Inc.	11,637,920	11,637,920	15,418,648	15,418,648
130 Regional Water Supply Corporation				
1772387 Alberta Ltd.				
812244 Alberta Ltd.				
Alamo Pipeline LLC				
EPCOR 130 Project Inc.				
EPCOR Britannia Water Inc.				
EPCOR Collingwood Distribution Corp.				
EPCOR Collingwood Energy Inc.				
EPCOR Collingwood Services Corp.				
EPCOR Consumer Services Inc.				
EPCOR Distribution & Transmission Inc.				
EPCOR Electricity Solutions Ontario Inc.				
EPCOR Energy Alberta GP Inc.				
EPCOR Gas Texas Inc.				
EPCOR GL Industrial Water Inc.				
EPCOR Holdings East Inc.				
EPCOR Infrastructure Inc.				
EPCOR Ontario Utilities Inc.				

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return
EPCOR Power Development Corporation				
EPCOR Preferred Equity Inc.				
EPCOR Services Inc.				
EPCOR Southern Bruce Gas Inc.				
EPCOR Technologies (Logistics) Inc.				
EPCOR Technologies Inc.				
EPCOR USA Inc.				
EPCOR Utilities Holdings Inc.				
EPCOR Utilities Inc.				
EPCOR Water (Central) Inc.				
EPCOR Water (East) Inc.				
EPCOR Water (West) Inc.				
EPCOR Water Arizona Inc				
EPCOR Water Development (West) Inc.				
EPCOR Water New Mexico Inc.				
EPCOR Water Prairies Inc.				
EPCOR Water Services Inc.				
Goliad Midstream Energy LLC				
Hughes Gas Resources Inc.				
Pinehurst Utility Construction LLC				
Rio Verde Utilities Inc.				
EPCOR Gold Bar RNG Inc.				
EPCOR RNG Management Inc.				
EPCOR Gas Texas Development and Services Inc.				
Total	11,637,920	11,637,920	15,418,648	15,418,648

Québec

Corporate name	Paid-up capital used to calculate the Québec business limit reduction (CO-771) and to calculate the additional deduction for transportation costs of remote manufacturing SMEs (CO-156.TR)	Paid-up capital used to calculate the tax credit for investment (CO-1029.8.36.IN) and to determine the applicability of Form CO-1029.8.33.TE	Paid-up capital used to calculate the $1 million deduction (CO-1137.A and CO-1137.E)	Paid-up capital used to determine the applicability of Form CO-737.SI
Total				

Ontario

Corporate name	Specified capital used to calculate the expenditure limit – Ontario innovation tax credit (Schedule 566)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)
Total	

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2020-12-31**	**2019-12-31**	**2018-12-31**	**2018-09-30**	**2016-12-31**
Net income	-1,321,308	-1,636,219	-60,356		
Taxable income					
Active business income					
Dividends paid					
Dividends paid – Regular					
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	5,626,367	5,626,367	5,626,367		
GRIP – end of the year	5,626,367	5,626,367	5,626,367		
Donations					
Balance due/refund (-)		-3,000	-43,479		
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2020-12-31**	**2019-12-31**	**2018-12-31**	**2018-09-30**	**2016-12-31**
Taxable income before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable income (according to Schedule 4)

Taxation year end	**2020-12-31**	**2019-12-31**	**2018-12-31**	**2018-09-30**	**2016-12-31**
Adjusted taxable income before current year loss carrybacks*	N/A				N/A
Non-capital losses	N/A				N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted taxable income after loss carrybacks	N/A				N/A

* The adjusted taxable income before current year loss carryback takes into account loss carrybacks that were made in prior taxation years.

Loss carrybacks requested in prior years to reduce taxable dividends subject to Part IV tax

Taxation year end	2020-12-31	2019-12-31	2018-12-31	2018-09-30	2016-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

Losses in the current year carried back to previous years to reduce taxable dividends subject to Part IV tax (according to Schedule 4)

Taxation year end	2020-12-31	2019-12-31	2018-12-31	2018-09-30	2016-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

** The multiplication factor is 3 for dividends received before January 1, 2016, and 100 / 38 1/3 for dividends received after December 31, 2015.

*** The adjusted Part IV tax multiplied by the multiplication factor before current-year loss carrybacks takes into account loss carrybacks that were made in prior taxation years. This amount is multiplied by the multiplication factor to help you determine the loss amount that must be used to reduce Part IV tax payable to zero.

Federal taxes

Taxation year end	2020-12-31	2019-12-31	2018-12-31	2018-09-30	2016-12-31
Part I					
Part IV					
Part III.1					
Other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Credits against Part I tax

Taxation year end	2020-12-31	2019-12-31	2018-12-31	2018-09-30	2016-12-31
Small business deduction					
M&P deduction					
Foreign tax credit					
Investment tax credit					
Abatement/other*					

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Refunds/credits

Taxation year end	2020-12-31	2019-12-31	2018-12-31	2018-09-30	2016-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments			45,000		
Other*		3,000			

* The amounts displayed on lines "Other" are all listed in the help. Press F1 to consult the context-sensative help.

Ontario

Taxation year end	2020-12-31	2019-12-31	2018-12-31	2018-09-30	2016-12-31
Net income	-1,321,308	-1,636,219	-60,356		
Taxable income					
% Allocation	100.00	100.00	100.00		
Attributed taxable income					
Surtax					
Income tax payable before deduction					
Income tax deductions /credits					
Net income tax payable					
Taxable capital					
Capital tax payable					
Total tax payable*			1,521		
Instalments and refundable credits		3,000			
Balance due/refund**		-3,000	1,521		

* For taxation years ending before January 1, 2009, this includes the corporate minimum tax and the premium tax. For taxation years ending after December 31, 2008, this includes the corporate minimum tax, the Crown royalties' additional tax, the transitional tax debit, the recaptured research and development tax credit and the special additional tax debit on life insurance corporations.

** For taxation years ending after December 31, 2008, the Balance due/Refund is included in the federal Balance due/refund.