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 were notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 2000 - 10423 101 Street NW
012
City: 015 Edmonton
Province, territory, or state: 016 AB
Country (other than Canada): 017 CA
Postal or ZIP code: 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: 025 Edmonton
Province, territory, or state: 026 AB
Country (other than Canada): 027 CA
Postal or ZIP code: 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: 035
Province, territory, or state: 036
Country (other than Canada): 037
Postal or ZIP code: 038

040 **Type of corporation at the end of the tax year** (tick one)
- [X] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [ ] 4 Corporation controlled by a public corporation
- [ ] 5 Other corporation (specify)

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

To which tax year does this return apply?
Tax year start (Year Month Day): 060 2021-01-01
Tax year-end (Year Month Day): 061 2021-12-31

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)
- [ ] 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	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
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		-332,610	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	352			
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			
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** *** 12,192 / 11,250 D = ... _______________ 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 (amount C **minus** amount H) (if negative, enter "0") . . . . **426** _______________ I

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 below) . . . . _______________ J

Reduced business limit after assignment (amount I **minus** amount J) . . . . **428** _______________ K

Small business deduction – Amount A, B, C, or K, whichever is the least . . . . _______________ x 19 % = **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 for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

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 (other than specified farming or fishing income of the corporation for the year) 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 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3				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 428 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 line 360 on page 3				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 428 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) ______ 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

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			

Dividend refund

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.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **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 428 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 notice

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 including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source 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 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

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 above on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Refund code 894 Refund

Balance owing

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 2022-06-23 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	2021-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	9,430,025	9,213,854
	Total tangible capital assets	2008	+	42,076,398	37,800,642
	Total accumulated amortization of tangible capital assets	2009	–	8,909,930	7,448,909
	Total intangible capital assets	2178	+	1,200,439	1,129,016
	Total accumulated amortization of intangible capital assets	2179	–	292,019	235,459
	Total long-term assets	2589	+	6,145,883	6,837,536
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	49,650,796	47,296,680
	Liabilities				
	Total current liabilities	3139	+	7,380,495	7,287,548
	Total long-term liabilities	3450	+	26,792,637	24,755,423
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	34,173,132	32,042,971
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	15,477,664	15,253,709
	Total liabilities and shareholder equity	3640	=	49,650,796	47,296,680
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	1,075,249	851,294

* 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	2021-12-31

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	+	46,840,924	49,848,060
	Cost of sales	8518	–	38,611,271	43,853,252
	Gross profit/loss	8519	=	8,229,653	5,994,808
	Cost of sales	8518	+	38,611,271	43,853,252
	Total operating expenses	9367	+	8,825,718	9,234,619
	Total expenses (mandatory field)	9368	=	47,436,989	53,087,871
	Total revenue (mandatory field)	8299	+	47,896,322	52,714,105
	Total expenses (mandatory field)	9368	–	47,436,989	53,087,871
	Net non-farming income	9369	=	459,333	-373,766
	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	=	459,333	-373,766
	Total – other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	4,516	-3,878
	Future (deferred) income tax provision	9995	–	230,862	-150,616
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	223,955	-219,272

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	2021-12-31

- 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.

Corporation's name	Business number	Tax year end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2021-12-31

General Index of Financial Information

Notes to the financial statements

1. Description of business
(a) Nature of operations
EPCOR Electricity Distribution Ontario Inc. (the "Company" or EPCOR) was incorporated on April 13, 2000, under the Business Corporations Act (Ontario), and is wholly owned by its ultimate parent EPCOR Utilities Inc., a corporation incorporated under the laws of the province of Alberta. The address of the Company's office and principal place of business is 43 Stewart Road, Collingwood, Ontario, Canada.
The principal activity of the Company is to distribute electricity to approximately 18,000 customers in the service area of Collingwood, Thornbury, Stayner, and Creemore in the Province of Ontario, under licenses issued by the Ontario Energy Board ("OEB"). The Company is regulated under the OEB and adjustments to the distributionrates require OEB approval.
(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 OEBon an annual basis for May 1 to April 30.
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.
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 presentation
(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, 2021

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Notes to the financial statements

and 2020. These financial statements were approved and authorized for issue
by the Board of Directors on April 7,2022.
(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.
3. Significant accounting policies
The accounting policies set out below have been applied consistently to all
years presented in these financialstatements unless otherwise indicated.
(a) Changes in significant accounting policies
The Company has adopted amendments to various accounting standards effective
January 1, 2021, which did not
have a significant impact on these financial statements.
(b) 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
rate-setting process. Regulatory deferral account credit balances are
associated with the collection of certain
revenues earned in the current year or in prior year(s), which 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 electricitydistribution 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 were no longer considered probable, the amounts would be charged
to the results of operations in theyear that the assessment is made.
(c) 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 miscellaneousrevenues.
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

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Notes to the financial statements

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 ofbilling.
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 asdeferred revenue.
(d) 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. Financial liabilities are classified as
measured at fair value through profit or loss atamortized cost.
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 theliability simultaneously.
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

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Notes to the financial statements

when appropriate, to the gross carrying amount of the financial asset.
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 and 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 the effective 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 loss are recognized in net income.
(e) 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.
(f) 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.(g) Inventories
Cost of inventory is comprised of direct materials, which typically consists of distribution assets not deemed as major spares, unless purchased for specific capital projects in process or as

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Notes to the financial statements

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 estimatedcosts necessary to make the sale.
(h) 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 liability for 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

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Notes to the financial statements

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.

(i) 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 comparativeyears 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(Note 9) 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 comprehensiveincome.

(j) 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 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.

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Capitalization will cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

(k) 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.(l) 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 towhich the contribution 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 contribution received, and are recognized as revenue on a straight-line basis over the estimated economic useful lives of the assets to which thecontribution relates.

(m) 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

General Index of Financial Information

Notes to the financial statements

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.(n) 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 settlementof the obligation.
(o) 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 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

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Notes to the financial statements

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.(p) Employee future benefits
Pension plan
The employees of the Company participate in the Ontario Municipal Employees
Retirement System ("OMERS").
The Company also contributes 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 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 theplan 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 theliabilities.
Remeasurements of the defined benefit obligation are recognized in other
comprehensive income. Theremeasurements include actuarial gains and losses.
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

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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.
(q) 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 relatedregulations.
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 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 thedeferred tax asset can 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

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probable that future taxable profit will allow the deferred tax asset to be recovered.
(r) 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, 2022. The
Company does not expect the implementation of these new accounting pronouncements to have a significantimpact on its accounting policies.
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(h) - Leases
Note 3(i) - 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 18 EmployeeFuture 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 OEBregulatory proceedings 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 judgmental 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.5. Novel coronavirus
In March 2020, the global outbreak of the novel coronavirus (COVID-19) was
declared a pandemic by the World Health
Organization and continues to disrupt business activities including supply
chains around the world. In order to manage
the impacts of the outbreak, local governmental authorities in Alberta have
regularly been monitoring and responding to
the emerging situation with maintaining certain travel and business related
restrictions. Since the beginning of the
pandemic, the Company has been operating under its business continuity plan
to ensure safety of its employees and
customers. In view of the uncertainty caused by the continued persistence of
virus infections, the Company has deferred
its plans for re-integration of the employees back to their permanent work
locations. The Company is closely monitoring
the situation (including advisories from the local governments), and planning
to cautiously phase-in the reintegration of
its employees back to their permanent work locations when considered safe to
do so.
Since the majority of the Company's operations consist of the provision of
essential utility services, the Company has
not experienced any significant impact of COVID-19 on its operations and
financial results except for a decline in
services to commercial customers mainly due to business closures resulting
from government imposed restrictions,
which has largely been offset by an increase in services to residential
customers. Overall, the COVID -19 pandemic did
not result in any material impact on the financial results of the Company for

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the years ended December 31, 2021 and2020.
6. Revenues
2021 2020
Sale of energy $ 37,728,278 $ 41,819,872
Distribution revenue 9,112,646 8,028,188
Deferred revenue recognized (Note 16) 145,047 121,960
Other revenue 1,345,530 1,261,244
$ 48,331,501 $ 51,231,264
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:2027 and
2022 2023 2024 2025 2026 thereafter Total
Contributions received from
customers and developers $ 150,794 $ 150,794 $ 150,794 $ 150,794 $ 150,794 $ 5,510,150 $ 6,264,120As at December 31, 2021, 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(l), over periods ranging between 40-50 years.7. Trade and other receivables
2021 2020
Trade receivables $ 4,533,396 $ 5,059,031
Accrued revenues 3,797,572 3,320,754
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 19) 100 100
Gross accounts receivable 8,436,695 8,485,512
Expected credit loss allowance (Notes 25 and 31) 108,363 169,640
Net accounts receivable $ 8,328,332 $ 8,315,872
Accounts receivable include $1,015,481 (December 31, 2020 - $1,199,462) 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 31.
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:2021 2020
Current tax
Based on current year taxable income $ - $ -
Adjustments for over / under provision in prior periods 4,516 (3,878)
$ 4,516 $ (3,878)
Deferred tax
Origination and reversal of temporary differences 122,638 (145,335)
Adjustments for over / under provision in prior periods 108,224 (5,281)
$ 230,862 $ (150,616)
$ 235,378 $ (154,494)
Statutory Canadian federal and provincial tax rates for the current year comprise 15% (2020 - 15%) for federal
corporate tax and 11.5% (2020 - 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:2021 2020
Total income (loss) and other comprehensive income (loss) $ 223,955 $ (219,272)Plus current and deferred income taxes 235,378 (154,494)
Net income (loss) before income taxes 459,333 (373,766)

Corporation's name	Business number	Tax year end Year Month Day
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Statutory Canadian federal and provincial tax rate 26.50% 26.50%
Provision for PILs at statutory rate 121,723 (99,048)
Increase (decrease) in income tax resulting from:
Interest and penalties on taxes - -
Meals and entertainment 915 188
Items in property, plant and equipment - (46,475)
Miscellaneous other - -
Prior year provision adjustment 112,740 (9,159)
Total provision $ 235,378 $ (154,494)
Effective tax rate 51.24% 41.33%
(b) The movement in the deferred tax asset is as follows:
2021 2020
Opening balance $ 678,115 $ 527,499
Recognized in net income (230,862) 150,616
Recognized in other comprehensive income - -
Closing balance $ 447,253 $ 678,115
Deferred tax assets (liabilities) are attributable to the following:
2021 2020
Employee future benefits $ 236,564 $ 232,222
Property, plant and equipment (2,164,602) (1,723,784)
Intangibles (88,016) (87,565)
Right of use assets (307,539) (353,101)
Goodwill (73,327) (73,327)
Deferred revenues 1,659,992 1,515,541
Lease liabilities 336,236 374,728
Non-capital losses carryforward 847,945 793,401
Net deferred tax asset $ 447,253 $ 678,115
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.
9. Property, plant and equipment
Land and Distribution Other Work-in
Buildings Equipment Vehicles Equipment Progress Total
Cost
Balance, beginning of 2021 $ 755,197 $ 31,027,916 $ 2,742,962 $ 1,461,518 $
1,813,049 $ 37,800,642Additions - - - - 4,275,756 4,275,756
Transfers into service - 3,140,722 - 122,053 (3,262,775) -
Disposals - - - - - -
Balance, end of 2021 755,197 34,168,638 2,742,962 1,583,571 2,826,029
42,076,398Accumulated depreciation
Balance, beginning of 2021 $ 65,229 $ 5,329,974 $ 1,439,743 $ 613,963 $ - $
7,448,909Depreciation 9,243 1,010,910 270,572 170,296 - 1,461,021
Disposals - - - - - -
Balance, end of 2021 74,472 6,340,884 1,710,315 784,259 - 8,909,930
Net Book Value, end of 2021 $ 680,725 $27,827,754 $ 1,032,647 $ 799,313 $
2,826,029 $ 33,166,468Land and Distribution Other Work-in
Buildings Equipment Vehicles Equipment Progress Total
Cost
Balance, beginning of 2020 $ 755,197 $ 27,374,234 $ 2,353,936 $ 1,479,747 $
1,731,440 $ 33,694,554Additions - - - - 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) - (255,065)
Balance, end of 2020 755,197 31,027,916 2,742,962 1,461,518 1,813,049
37,800,642Accumulated depreciation
Balance, beginning of 2020 $ 55,986 $ 4,420,337 $ 1,200,034 $ 409,372 $ - $

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6,206,139Depreciation 9,243 932,281 249,028 161,599 - 1,352,151
Disposals - (22,644) (9,319) (77,418) - (109,381)
Balance, end of 2020 65,229 5,329,974 1,439,743 613,963 - 7,448,909
Net Book Value, end of 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 totaling $4,227,924
(2020 - $3,820,656) and received
contributed capital of $47,832 (2020 - $510,497).
There were no borrowing costs capitalized during the years ended December 31,
2021 and December 31, 2020.
There are no security charges over the Company's property, plant and
equipment.
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 3.9%,
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.
10. Intangibles
Paid Capital
Contributions Software Goodwill Total
Cost
Balance, beginning of 2021 $ 553,415 $ 298,897 $ 276,704 $ 1,129,016
Additions - 71,423 - 71,423
Balance, end of 2021 553,415 370,320 276,704 1,200,439
Accumulated amortization
Balance, beginning of 2021 $ 43,043 $ 192,416 $ - $ 235,459
Amortization 12,298 44,262 - 56,560
Balance, end of 2021 55,341 236,678 - 292,019
Net Book Value, end of 2021 $ 498,074 $ 133,642 $ 276,704 $ 908,420
Cost
Balance, beginning of 2020 $ 553,415 $ 293,512 $ 276,704 $ 1,123,631
Additions - 5,385 - 5,385
Balance, end of 2020 553,415 298,897 276,704 1,129,016
Accumulated amortization
Balance, beginning of 2020 $ 30,745 $ 148,341 $ - $ 179,086
Amortization 12,298 44,075 - 56,373
Balance, end of 2020 43,043 192,416 - 235,459
Net Book Value, end of 2020 $ 510,372 $ 106,481 $ 276,704 $ 893,557
There are no security charges over the Company's intangible assets.
For purposes of impairment testing, goodwill acquired through business
combination has been allocated to a single
CGU, the Company. The most recent review of goodwill was performed in the
fourth quarter. Management reviewed
conditions since the last review was performed and determined that no
circumstances occurred since then to require a
revision to the assumptions used in the value in use calculations.

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The recoverable amount of the CGU was determined using a discounted cash flow analysis. Forecasted cash flows
reflect revenues consistent with OEB methodology of allowing a fair return on prudently placed capital that is
recoverable through customer rates. Operating costs reflect historical costs of running the business, adjusted for
inflation, and capital-spending forecasts reflect system integrity and capacity needs of utility infrastructure.
Key assumptions used in value-in-use calculations
The future cash flows of the underlying businesses are relatively stable since they relate primarily to ongoing electricity
distribution in a rate-regulated environment. In the case of CGUs operating under a rate-regulated environment,
revenues are set by the regulators to cover operating costs and to earn a return on the rate base, which is set at the
regulator's approved weighted average cost of capital for the underlying utility.The calculation of value in use for the CGU is most sensitive to the following assumption:EPCOR ELECTRICITY DISTRIBUTION ONTARIO INC.
Notes to Financial Statements
(In Canadian dollars unless otherwise indicated)
Years ended December 31, 2021 and 2020
19
10. Intangibles (continued)
Discount rates
The after-tax discount rates used were 3.9% (2020 - 4.0%), which were estimated based on the weighted average costof capital for the CGU.
11. Right of use assets
2021 2020
Cost
January 1 $ 1,676,316 $ 1,676,316
Additions - -
December 31 1,676,316 1,676,316
Accumulated amortization
January 1 $ 343,860 $ 171,930
Amortization 171,930 171,930
December 31 515,790 343,860
Net book value
December 31 $ 1,160,526 $ 1,332,456
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
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 January 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
2020 May 2021 the Period Recovery 2021

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Regulatory deferral debits:
Stranded assets $ 561,827 $ - $ 2,921 $ - $ 564,748
OEB Cost assessment variance 177,959 - 33,596 - 211,555
Energy East consultation costs 2,467 - 13 - 2,480
IFRS transition costs 213,926 - 1,078 - 215,004
Late payment penalty settlement (2,217) - - - (2,217)
COVID-19 costs and foregone revenue 147,739 - (10,791) (72,311) 64,637
Green Energy Renewable Connection 32,067 - 7,229 - 39,296
Stranded meters 10,135 - 21 - 10,156
Smart Grid 5,012 - 25 - 5,037
MIST Meters 242,184 - 11,532 - 253,716
MIST Meters Capitalized for IFRS (201,191) - - - (201,191)
PILs tax variance - Ontario SBD 37,910 - 199 - 38,109
LRAMVA 105,587 (107,144) 96,812 - 97,255
RARA approved May 1, 2018, 2 yr 65,604 - 121 17,079 82,804
RARA approved May 1, 2019, 1 yr 19,127 - 10 - 19,137
RARA approved May 1, 2020, 1 yr 628,258 - 1,542 (568,504) 61,296
RARA approved May 1, 2021, 1 yr - 1,036,078 2,716 (699,510) 339,284
Retail settlement variances 2,754,146 (928,934) 895,521 - 2,720,733
Miscellaneous deferred debits 24,425 - (8,160) - 16,265
$ 4,826,965 $ - $ 1,034,385 $ (1,323,246) $ 4,538,104
Regulatory deferral credits:
Pole attachment revenue variance 283,251 - 138,397 - 421,648
Retail service charge revenue variance 13,568 - 7,921 - 21,489
$ 296,819 $ - $ 146,318 $ - $ 443,137
Net regulatory asset $ 4,530,146 $ - $ 888,066 $ (1,323,246) $ 4,094,967
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 $23,144
(2020 - $46,567) 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
2021 OEB quarterly prescribed interest rates 0.57% 0.57% 0.57% 0.57%
2020 OEB quarterly prescribed interest rates 2.18% 2.18% 0.57% 0.57%
Stranded assets
The purpose of this other regulatory deferral account is to record the cost of Sensus ICON model F and model G 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

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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 one-year period,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.
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.
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

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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.

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:2021 2020

Statement of Comprehensive Income:

Decrease/(Increase) in the sale of energy $ 57,885 $ (174,325)

Increase in the cost of power purchased 825,108 2,207,706

Increase in distribution revenue (1,227,316) (520,573)

Increase in other revenue (144,270) (141,059)

Increase in operating expenses 38,428 120,561

Decrease in interest expense (4,250) (7,607)

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Decrease in interest revenue 27,394 54,174
Increase in depreciation 15,138 12,722
Decrease in amortization of deferred charges (8,160) (8,160)
Statement of Financial Position:
Increase in property, plant and equipment 150,421 163,144
Decrease to regulatory deferral accounts (201,191) (201,191)
Decrease in retained earnings 35,632 25,324
Net movement on regulatory deferral accounts (435,179) 1,530,716
Decrease in retained earnings 4,530,146 2,999,430
$ 4,094,967 $ 4,530,146
13. Loans and borrowings
2021 2020
EPCOR Utilities Inc. - prime rate 2.45% (2020 - 2.45%),
due monthly, January 31, 2022 $ - $ 26,293
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 $ 700,000 $ 900,000
3.84% fixed rate, $32,700 principal and interest repayable
monthly, due September 2037 4,631,999 4,842,130
4.58% fixed rate, $3,563 principal and interest repayable
monthly, due December 2043 594,313 609,711
2.76% fixed rate, $25,000 principal repayable semi-annually
plus interest in October and April, due April 2035 675,000 725,000
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 2,020,000
3.41% fixed rate, interest only payable semi-annually
June and December, due December 2051 2,000,000 -
18,721,311 17,223,134
Current portion of long-term debt 484,456 501,822
$ 18,236,856 $ 16,721,312
The Company has combined the short-term debt and long-term debt note for
presentation purposes.14. Trade and other payables
2021 2020
Accounts payable - energy purchases $ 2,910,095 $ 2,945,677
Trade payables 825,764 702,910
Town of Collingwood - Water and Wastewater 923,317 915,532
Affordability Fund Trust 3,347 9,449
HST Payable 7,884 56,148
Short-term incentive plan 158,081 87,222
Payroll liabilities 85,095 59,616
Accrued interest on long-term debt 55,189 54,650
$ 4,968,772 $ 4,831,204
15. Customer deposits and credits
2021 2020
Customer deposits $ 361,511 $ 392,599
Construction work deposits 709,882 581,603
Customer credit balances in trade receivables 549,786 708,211
$ 1,621,179 $ 1,682,413
16. Deferred revenue
2021 2020
Balance, beginning of year $ 5,719,023 $ 4,754,872

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Notes to the financial statements

Contributions received1 690,144 1,086,111
Revenue recognized (145,047) (121,960)
Balance, end of year $ 6,264,120 $ 5,719,023
Less: current portion 150,794 126,857
$ 6,113,326 $ 5,592,166
1 Contributions received include cash contributions of $642,312 (2020 - $575,614) and non-cash contributions of$47,832 (2020 - $510,497)
17. Lease liabilities
The change in lease liabilities during the year were as follows:
2021 2020
Balance, beginning of year $ 1,414,067 $ 1,548,040
Payments during the year (145,253) (133,973)
Balance, end of year $ 1,268,814 $ 1,414,067
Approximate future payments by the Company with respect to its lease liabilities are as follows:2021 2020
Within one year $ 207,481 $ 203,412
After one year but not more than five years 872,257 855,154
More than five years 404,318 628,902
Unrecognized finance expense (215,241) (273,401)
$ 1,268,814 $ 1,414,067
The lease liability consists of the Company's lease for land and building office and warehouse space in Collingwood,
Ontario, Canada as the Company's head office. The agreement, which became effective in the fourth quarter of 2018,
has an initial lease term of 25 years, expiring in the fourth quarter of 2043. The agreement also provides for early
termination of the lease after nine years, with a one-year notice. As it is likely that the Company will exercise its rights on
the agreement, the term of the lease has been determined to be 10 years.
There are no variable lease payments not included in the measurement of liabilities.
18. Employee future benefits
(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 notspecifically attributed 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
$318,387 (2020 - $312,877). The contributions were made for current service and these have been recognized innet 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, 2021. The results
of this valuation disclosed total actuarial liabilities of $120.8 (2020 - $113.1) billion in respect of benefits accrued for
service with actuarial assets at that date of $117.7 (2020 - $109.8) billion,

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indicating a going concern actuarial
deficit of $3.1 (2020 - $3.2) 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% (2020 - 9.0%) for employees earning up to
$61,600 (2020 - $58,700) and 14.6% (2020 - 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, and vision 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, 2021 and 2020 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 itsemployees while on disability leave.
(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:2021 2020
Defined benefit obligation, beginning of the year $ 876,311 $ 880,722
Amounts recognized in net income:
Current service cost - retirees 41,215 39,592
Current service cost - disability - (6,000)
Interest cost on obligation 25,432 25,292
66,647 58,884
Amounts recognized in other comprehensive income:
Actuarial loss from financial assumption - -
Actuarial gain/loss from adjustments (experience) - -
- -
Benefit payments (57,160) (63,295)
Defined benefit obligation, end of the year $ 885,798 $ 876,311
Actuarial assumptions are as follows:
2021 2020
Discount rate 3.00% 3.00%
Rate of compensation increase 3.50% 3.50%
Health benefits costs escalation 4.70% 4.40%
Dental benefits costs escalation 4.90% 4.70%
Retirement age 59 yrs 59 yrs

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Sensitivity analysis:
The approximate effect on the defined benefit obligation if the main actuarial assumptions underlying the valuationincreased or decreased by:
2021 2020
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
19. 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, 2021 the obligation to UCS includes 2022 to 2024 fees of approximately $230,000 per year,$690,000 total.
EPCOR Utilities Inc.
Annual commitments for the purchase of general administrative and operation services from EPCOR and itssubsidiaries are estimated at $1,467,781.
20. 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, 2021, 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.
21. Share capital
Authorized shares
Unlimited number of voting common shares without nominal or par value.
Issued shares
2021 2020
5,101,340 Common shares $ 5,101,340 $ 5,101,340
22. 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,

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EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2021-12-31

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Notes to the financial statements

2020 and October 31, 2020, the shareholder contributed an additional
$2,000,000 respectively.2021 2020
Miscellaneous Paid in Capital $ 9,466,014 $ 9,466,014
23. Credit facilities
Letter of Credit ("LOC") - Independent Electricity System Operator (IESO)
As at December 31, 2021, the Company's ultimate parent issued a $2,326,160
(2020 - $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, 2021 the feeincurred was $9,122 (2020 - $16,096).
Parental Guarantee - Town of Collingwood
The Company's parent 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
monthly fee related to the parental
guarantee. For the year ended December 31, 2021 the fee incurred was $11,933
(2020 - $9,390).24. Finance expenses
2021 2020
Interest earned on bank account $ - $ (15,343)
Net interest on employee future benefits 25,432 25,292
Interest on customer deposits 1,547 6,706
Letter of Credit fees - IESO 9,122 16,096
Letter of Guarantee fees - Town of Collingwood 11,933 9,390
Interest on short-term debt 3,781 77,269
Interest on long-term debt 675,996 639,260
Corporate tax late payment penalty 1,383 -
Interest on lease obligation 54,913 62,616
$ 784,107 $ 821,286
25. Bad debt expense (recovery)
2021 2020
Write-offs $ 79,914 $ 65,995
Recoveries (35,322) (20,912)
Opening allowance (169,640) (134,011)
Closing allowance 108,363 169,640
$ (16,685) $ 80,712
26. Depreciation and amortization
2021 2020
Property, plant and equipment $ 1,461,022 $ 1,352,150
Right of use assets 171,930 171,930
Less vehicle depreciation, burdened to other accounts (270,572) (249,028)
1,362,380 1,275,052
Capital contributions paid 12,298 12,298
Software 44,261 44,075
Deferred charges 8,160 8,160
1,427,099 1,339,585
Less net regulatory movement related to deferred charges (8,160) (8,160)
$ 1,418,939 $ 1,331,425
27. 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

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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, as approved by regulation.
The following summarizes the Company's related party transactions with EPCOR and its subsidiaries:2021 2020
Statements of Comprehensive Income:
Administrative and Information technology service revenue (a) $ 179,841 $ 175,249Staff cost and employee benefit expense (b) $ 2,859,536 $ 3,281,164
Interest expense (c) $ 434,498 $ 456,161
Shared corporate services (d) $ 1,145,688 $ 1,244,844
Statements of Financial Position:
Property, plant and equipment purchases (e) $ 10,647 $ 6,726
Shareholder contribution - Miscellaneous paid in capital (f) $ - $ 4,000,000
The following summarizes the Company's related party balances with EPCOR and its subsidiaries:Statements of Financial Position:
Trade and other receivables (g) $ 163,037 $ 155,296
Trade and other payables (h) $ 191,954 $ 127,658
Short-term debt (i) $ - $ 26,293
Long-term debt (i) $ 12,120,000 $ 10,120,000
(a) Relates to recoveries of various services provided to EPCOR.
(b) Relates to staff costs and employee benefits expenses paid by EPCOR on behalf of the Company. The
comparative figure (not previously disclosed) has been included to conform with current year disclosure.
(c) Relates to interest expense on short-term and long-term notes payable to EPCOR as well as guarantee and letterof credit fees.
(d) Relates to expenditures for administrative services provided by EPCOR.
(e) Relates to expenditures for information services projects.
(f) Relates to contributions of paid in capital by EPCOR.
(g) Relates to accounts receivable due from EPCOR and its subsidiaries related to various services provided by theCompany.
(h) Relates to accounts payable for administration of services, accrued interest on long-term notes payable to EPCOR,
and accrual for employee benefits. The comparative figure has been restated to conform with current yeardisclosure.
(i) Relates to short-term and long-term notes payable to EPCOR.
28. Financial instruments
Classification
The classification of the Company's financial instruments at December 31, 2021 and 2020 are summarized as follows:Classification
Fair value
hierarchy
Fair value
through
profit or loss
Fair value
through other
comprehensive
income
Amortized
cost

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Notes to the financial statements

Measured at amortized cost
Cash and cash equivalents X Level 1
Trade and other receivables X Level 3
Trade and other payables X Level 3
Loans and borrowings X Level 2
Customer deposits/credits X Level 3
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:
2021 2020
Carrying Fair Carrying Fair
Amount Value Amount Value
Loans and borrowings (Note 13) $ 18,721,311 $ 20,555,234 $ 17,196,841 $ 20,700,944Fair value hierarchy
The financial instruments of the Company have been disclosed at fair value using a fair value hierarchy. A Level 1
valuation is determined by unadjusted quoted prices in active markets for identical assets or liabilities. A Level 2
valuation is based upon inputs other than quoted prices included in Level 1 that are observable for the instruments
either directly or indirectly. A Level 3 valuation for the assets and liabilities are not based on observable market data.Loans and borrowings
Short-term debt is measured at amortized cost and the carrying value approximates the fair value due to the short-term
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, 2021 and December 31, 2020. 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 theCompany's debt.
29. Net change in non-cash working capital balances
The net change in non-cash working capital balances consists of:
2021 2020
Trade and other receivables $ (12,460) $ 1,250,391
Inventories (318,299) (133,196)
Prepaid expenses 11,381 41,590
Trade and other payables 137,029 118,818
Customer deposits and credits (61,234) 580,321
Employee future benefits (15,945) (29,703)
Payments in lieu of corporate taxes paid - -
Net (increase) decrease in regulatory deferrals 435,179 (1,530,716)
Changes in non-cash working capital $ 175,651 $ 297,505
Operating activities $ 168,546 $ 469,439
Investing activities 7,105 (171,934)
$ 168,546 $ 297,505
30. 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

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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:
2021 2020
Loans and borrowings (including current portion) (Notes 13) $ 18,721,311 $
17,170,548Cash - (10,404)
Net debt 18,721,311 17,160,144
Total equity 15,477,664 15,253,709
Total Capital $ 34,198,975 $ 32,413,853
To manage or adjust its capital structure, the Company can issue new debt,
repay existing debt or issue or redeemcommon units.
31. 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 year endedDecember 31, 2021.
Interest rate risk is the risk that future cash flows will fluctuate as a
result of changes in market interest rates. Note 18
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
long-term debt for Infrastructure Ontario and EPCOR Utilities Inc., which
bear fixed rates of interest. As at December
31, 2021, if interest rates had been 1% lower or higher with all other
variables held constant, net income for the year
would not have been impacted materially.
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

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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
day-to-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 accounts receivablerepresent 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 25)
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 no additional provision (2020 - $20,712) for the year ended December 31, 2021.
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 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 adjust 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.

Corporation's name	Business number	Tax year end Year Month Day
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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 considered past due.2021 2020
Under 30 days $ 7,865,964 $ 7,610,331
30 to 60 days 121,303 135,787
61 to 90 days 67,240 114,016
Over 90 days 382,188 625,378
8,436,695 8,485,512
Expected credit loss allowance 108,363 169,640
Total accounts receivable $ 8,328,332 $ 8,315,872
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:
2022 2023 2024 2025 2026
2027 and
thereafter
Total
contractual
cash flows
Trade and other payables(a) $4,913,583 $ - $ - $ - $ - $ - $ 4,913,583
Customer Deposits/credits 1,621,179 - - - - - 1,621,179
Lease liability 155,294 165,831 176,884 188,477 200,632 381,696 1,268,814
Loans and borrowings 484,456 493,736 503,385 513,416 523,846 16,202,473
18,721,312Interest payments on
loans and borrowings 724,010 704,010 683,723 662,890 648,752 11,793,727
15,217,112
$ 7,898,522 $1,363,577 $1,363,992 $1,364,783 $1,373,230 $ 28,377,896 $
41,742,000
(a) Excluding accrued interest on short-term debt of $55,189 (2020 - $54,650).
The Company's undiscounted cash flow requirements and contractual maturities
in the next twelve months of
$7,898,522 will be funded from operating cash flows and additional loans and
borrowings.32. Changes in liabilities arising from financing activities
2020 Proceeds Repayment Other 2021
Accrued interest* $ 54,650 $ - $ - $ 539 $ 55,189
Lease liabilities 1,414,067 - (145,253) - 1,268,814
Short-term debt 26,293 17,018,652 (17,044,945) - -
Long-term debt 17,196,841 2,000,000 (475,529) - 18,721,312
* Accrued interest is included within trade and other payables
33. 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

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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 was released onNovember 3, 2020.
The corporation incurred legal expense or legal expense reimbursements to
others related to the judicial inquiry of
$182,866 (2020 - $61,268) during the year.
34. Operating expenses
2021 2020
Labour $ 2,859,536 $ 3,281,164
Shared corporate services 1,160,542 1,244,844
Contractor and consultants 1,089,019 1,122,380
Vehicle expenses 418,107 371,943
Vehicle burden allocation (347,570) (280,658)
Stock, materials, clothing and equipment 303,168 306,167
Office, printing, postage 249,463 239,935
Regulatory 196,829 75,114
Legal 186,447 61,268
Insurance 144,093 143,146
Licences, memberships and dues 86,731 137,116
Rent and storage 77,521 69,686
Telephone and utilities 57,799 61,709
Training and recognition 56,256 49,538
Audit 39,220 41,610
Advertising, donations and promotion 30,626 12,501
Property taxes 18,388 18,716
Travel, meals and entertainment 12,613 12,331
Foreign exchange loss 569 5,407
Bad debts (recoveries) (Note 25) (16,685) 80,712
$ 6,622,672 $ 7,054,629
Represented by:
Billing and collecting 1,159,037 1,296,411
Operations and maintenance 2,461,747 2,785,780
General and administrative 2,186,394 2,137,588
Other recoverable expenses 806,880 825,081
Donations and Low-Income Energy Assistance Program 8,614 9,769
$ 6,622,672 $ 7,054,629
35. Comparative figures
Some of the comparative figures have been reclassified to conform to the
current year's presentation.

SCHEDULE 100

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Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2021-12-31

Assets – lines 1000 to 2599

1060	8,328,332	1120	984,364	1484	117,329
1599	9,430,025	1740	42,076,398	1741	-8,909,930
2008	42,076,398	2009	-8,909,930	2010	923,735
2011	-292,019	2012	276,704	2178	1,200,439
2179	-292,019	2420	1,160,526	2421	447,253
2424	4,538,104	2589	6,145,883	2599	49,650,796

Liabilities – lines 2600 to 3499

2620	4,968,772	2700	484,456	2920	306,088
2961	1,621,179	3139	7,380,495	3140	18,236,856
3220	6,113,326	3320	2,442,455	3450	26,792,637
3499	34,173,132				

Shareholder equity – lines 3500 to 3640

3500	5,101,340	3540	9,466,014	3580	-164,939
3600	1,075,249	3620	15,477,664	3640	49,650,796

Retained earnings – lines 3660 to 3849

3660	851,294	3680	223,955	3849	1,075,249

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	2021-12-31

Description

Sequence number 0003 01

Revenue – lines 8000 to 8299

8000	46,840,924	8089	46,840,924	8210	9,272
8230	1,046,126	8299	47,896,322		

Cost of sales – lines 8300 to 8519

8320	38,611,271	8518	38,611,271	8519	8,229,653

Operating expenses – lines 8520 to 9369

8524	30,626	8570	56,559	8590	-16,685
8670	1,362,380	8690	144,093	8710	784,107
8760	86,731	8810	249,463	8860	1,314,686
8876	56,256	8910	77,521	9060	2,859,536
9130	303,168	9180	18,388	9200	12,613
9220	57,799	9270	197,398	9281	70,537
9285	1,160,542	9367	8,825,718	9368	47,436,989
9369	459,333				

Extraordinary items and taxes – lines 9970 to 9999

9970	459,333	9990	4,516	9995	230,862
9999	223,955				

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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	2021-12-31

- 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 ..... 223,955 A

Add:

Provision for income taxes – current	101	4,516	
Provision for income taxes – deferred	102	230,862	
Interest and penalties on taxes	103	1,383	
Amortization of tangible assets	104	1,362,380	
Amortization of intangible assets	106	56,559	
Non-deductible meals and entertainment expenses	121	2,220	
Reserves from financial statements – balance at the end of the year	126	885,798	
Subtotal of additions		2,543,718	2,543,718

Add:

Other additions:

	1 Description 605	2 Amount 295
1	STIP over accrual	28,562
2	Vehicle burden amortization adjustment	94,700
3	Lease interest expense	54,913
	Total of column 2	178,175

Total of column 2	296	178,175		
Subtotal of other additions	199	178,175	178,175	D
Total additions	500	2,721,893	2,721,893	

Amount A **plus** line 500 ..... 2,945,848 B

Deduct:

Gain on disposal of assets per financial statements	401	9,272	
Capital cost allowance from Schedule 8	403	2,040,765	
Reserves from financial statements – balance at the beginning of the year	414	876,311	
Subtotal of deductions		2,926,348	2,926,348

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	Accounting amortization - Contributions	145,047
2	IFRS 16 lease liability adjustment	200,165
3	STIP over accrual PY amount	6,898
	Total of column 2	352,110

Total of column 2	396	352,110		
Subtotal of other deductions	499	352,110	352,110	E
Total deductions	510	3,278,458	3,278,458	

Net income (loss) for income tax purposes (amount B **minus** line 510) ..... -332,610 C
Enter amount C on line 300 of the T2 return.

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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	2021-12-31

- 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 federal 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 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 federal Income Tax Act.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			-332,610	1A
Net capital losses deducted in the year (enter as a positive amount)		1B		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		1E		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)		1F		
Subtotal (total of amounts 1B to 1F)		►		1G
Subtotal (amount 1A **minus** amount 1G; if positive, enter "0"			-332,610	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				1I
Subtotal (amount 1H **minus** amount 1I)			-332,610	1J
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)				1K
Current-year non-capital loss (amount 1J **plus** amount 1K; if positive, enter "0") If amount 1L is negative, enter it on line 110 as a positive.			-332,610	1L

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		3,017,883	1M	
Non-capital loss expired **(note 1)**	100			
Non-capital losses at the beginning of the tax year (amount 1M **minus** line 100)	102	2,982,660	►	2,982,660
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary **(note 2)** corporation	105			
Current-year non-capital loss (from amount 1L)	110	332,610		
Subtotal (line 105 **plus** line 110)		332,610	►	332,610 1N
Subtotal (line 102 **plus** amount 1N)				3,315,270 1O

Note 1: A non-capital loss expires after **20 tax years** and an allowable business investment loss becomes a net capital loss after **10 tax years**.

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)

Other adjustments (includes adjustments for an acquisition of control)	150			
Section 80 – Adjustments for forgiven amounts	140			
Subsection 111(10) – Adjustments for fuel tax rebate				
Non-capital losses of previous tax years applied in the current tax year Enter line 130 on line 331 of the T2 return.	130			
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax **(note 3)**	135			
Subtotal (total of lines 150, 140, 130 and 135)			▶	1P
Non-capital losses before any request for a carryback (amount 1O **minus** amount 1P)			3,315,270	1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901			
Second previous tax year to reduce taxable income	902			
Third previous tax year to reduce taxable income	903			
First previous tax year to reduce taxable dividends subject to Part IV tax	911			
Second previous tax year to reduce taxable dividends subject to Part IV tax	912			
Third previous tax year to reduce taxable dividends subject to Part IV tax	913			
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)			▶	1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q **minus** amount 1R)		180	3,315,270	

Note 3: Line 135 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			
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205			
Subtotal (line 200 **plus** line 205)			▶	2A
Other adjustments (includes adjustments for an acquisition of control)	250			
Section 80 – Adjustments for forgiven amounts	240			
Subtotal (line 250 **plus** line 240)			▶	2B
Subtotal (amount 2A **minus** amount 2B)				2C
Current-year capital loss (from the calculation on Schedule 6, Summary of Dispositions of Capital Property)		210		
Unused non-capital losses from the 11th previous tax year **(note 4)**		2D		
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year **(note 5)**		2E		
Enter amount 2D or 2E, whichever is less	215			
ABILs expired as non-capital losses: line 215 **multiplied** by 2.000000		220		
Subtotal (amount 2C **plus** line 210 **plus** line 220)				2F

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.

Note 4: Determine the amount of the non-capital loss from the **11th previous tax year**, and enter the part of the non-capital loss that was not deducted in the previous 11 years.

Note 5: Enter the amount of the ABILs from the **11th previous tax year**. Enter the full amount on amount 2E.

Part 2 – Capital losses (continued)

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

Capital losses before any request for a carryback (amount 2F **minus** line 225) ______ 2G

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

	Capital gain (100%)		Amount carried back (100%)	
First previous tax year		951		
Second previous tax year		952		
Third previous tax year		953		
Subtotal (total of lines 951 to 953)				2H

Closing balance of capital losses to be carried forward to future tax years (amount 2G **minus** amount 2H) **(note 8)** **280** ______

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, 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.

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year . . . . ______ 3A

Farm loss expired **(note 9)** . . . . **300** ______

Farm losses at the beginning of the tax year (amount 3A **minus** line 300) . . . . **302** ______ ▶ ______

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

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

Subtotal (line 305 **plus** line 310) ______ ▶ ______ 3B

Subtotal (line 302 **plus** amount 3B) ______ 3C

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

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

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

Enter line 330 on line 334 of the T2 Return.

Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax **(note 10)** . . . . **335** ______

Subtotal (total of lines 350, 340, 330 and 335) ______ ▶ ______ 3D

Farm losses before any request for a carryback (amount 3C **minus** amount 3D) ______ 3E

Request to carry back farm loss to:

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

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

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

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

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

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

Subtotal (total of lines 921 to 933) ______ ▶ ______ 3F

Closing balance of farm losses to be carried forward to future tax years (amount 3E **minus** amount 3F) **380** ______

Note 9: A farm loss expires after **20 tax years**.

Note 10: Line 335 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**	
(line 485 ______ – $2,500) **divided** by 2		4A		
Amount 4A or $ 15,000 , whichever is less				4B
		2,500		4C
Subtotal (amount 4B **plus** amount 4C)		2,500 ▶		2,500 4D
Current-year restricted farm loss (line 485 **minus** amount 4D)				4E

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		4F	
Restricted farm loss expired **(note 11)**	**400**		
Restricted farm losses at the beginning of the tax year (amount 4F **minus** line 400)	**402**	▶	
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	**405**		
Current-year restricted farm loss (from amount 4E)	**410**		
Enter line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.			
Subtotal (line 405 **plus** line 410)		▶	4G
Subtotal (line 402 **plus** amount 4G)			4H
Restricted farm losses from previous tax years applied against current farming income	**430**		
Enter line 430 on line 333 of the T2 return.			
Section 80 – Adjustments for forgiven amounts	**440**		
Other adjustments	**450**		
Subtotal (total of lines 430 to 450)		▶	4I
Restricted farm losses before any request for a carryback (amount 4H **minus** amount 4I)			4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	**941**		
Second previous tax year to reduce farming income	**942**		
Third previous tax year to reduce farming income	**943**		
Subtotal (total of lines 941 to 943)		▶	4K
Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J **minus** amount 4K)		**480**	

Note

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

Note 11: A restricted farm loss expires after **20 tax years**.

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				5A
Listed personal property loss expired **(note 12)**	500			
Listed personal property losses at the beginning of the tax year (amount 5A **minus** line 500)	502		▶	
Current-year listed personal property loss (from Schedule 6)			510	
Subtotal (line 502 **plus** line 510)				5B
Listed personal property losses from previous tax years applied against listed personal property gains	530			
Enter line 530 on line 655 of Schedule 6.				
Other adjustments	550			
Subtotal (line 530 **plus** line 550)			▶	5C
Listed personal property losses remaining before any request for a carryback (amount 5B **minus** amount 5C)				5D

Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains	961			
Second previous tax year to reduce listed personal property gains	962			
Third previous tax year to reduce listed personal property gains	963			
Subtotal (total of lines 961 to 963)			▶	5E
Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D **minus** amount 5E)			580	

Note 12: A listed personal property loss expires after **7 tax years**.

Part 7 – Limited partnership losses

Current-year limited partnership losses

	1	2	3	4	5	6	7
	Partnership account number 600	Tax year ending YYYY/MM/DD 602	Corporation's share of limited partnership loss 604	Corporation's at-risk amount 606	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses 608	Column 4 **minus** column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 **minus** column 6) 620
1.							
						Total (enter this amount on line 222 of Schedule 1)	

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

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

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

	1	2	3	4	5	6
	Partnership account number 660	Limited partnership losses at the end of the previous tax year 662	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary 664	Current-year limited partnership losses (from line 620) 670	Limited partnership losses applied in the current year (must be equal to or less than line 650) 675	Current year limited partnership losses closing balance to be carried forward to future years (column 2 **plus** column 3 **plus** column 4 **minus** column 5) 680
1.						
				Total (enter this amount on line 335 of the T2 return)		

Note

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

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

If you are making an election under paragraph 88(1.1)(f), tick 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 Taxable income	Applied to reduce Part IV tax	Balance at end of year
Current	N/A	332,610			N/A		332,610
1st preceding taxation year 2020-12-31	1,289,854	N/A		N/A			1,289,854
2nd preceding taxation year 2019-12-31	1,632,450	N/A		N/A			1,632,450
3rd preceding taxation year 2018-12-31	60,356	N/A		N/A			60,356
4th preceding taxation year 2018-09-30		N/A		N/A			
5th preceding taxation year 2016-12-31		N/A		N/A			
6th preceding taxation year 2015-12-31		N/A		N/A			
7th preceding taxation year 2014-12-31		N/A		N/A			
8th preceding taxation year 2013-12-31		N/A		N/A			
9th preceding taxation year 2012-12-31		N/A		N/A			
10th preceding taxation year 2011-12-31		N/A		N/A			
11th preceding taxation year 2010-12-31		N/A		N/A			
12th preceding taxation year 2009-12-31		N/A		N/A			
13th preceding taxation year 2008-12-31		N/A		N/A			
14th preceding taxation year 2007-12-31		N/A		N/A			
15th preceding taxation year 2006-12-31		N/A		N/A			
16th preceding taxation year 2005-12-31		N/A		N/A			
17th preceding taxation year 2004-12-31		N/A		N/A			
18th preceding taxation year 2003-12-31		N/A		N/A			
19th preceding taxation year 2002-12-31		N/A		N/A			
20th preceding taxation year 2001-12-31		N/A		N/A			*
Total	2,982,660	332,610					3,315,270

* **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	2021-12-31

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

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

	1 Class number * See note 1 (200)	Description	2 Undepreciated capital cost (UCC) at the beginning of the year (201)	3 Cost of acquisitions during the year (new property must be available for use) See note 2 (203)	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) 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)	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8
1.	1	Building	5,060,408						0	5,060,408
2.	8	Equipment	248,442	16,832	16,832				0	265,274
3.	10	Vehicles	938,938						0	938,938
4.	47	Electricity Assets and Smart meters	15,150,977	2,475,644	2,475,644				9,272	17,617,349
5.	50	Computer equipment	202,059	98,783	98,783				0	300,842
6.	12	Software	2,576	67,655	67,655				0	70,231
7.	14.1	Goodwill	283,728						0	283,728
		Totals	21,887,128	2,658,914	2,658,914				9,272	24,536,770

	1 Class number * See note 1 (200)	Description	10 Proceeds of disposition available to reduce the UCC of AIIP and ZEV (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 and ZEV acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP and ZEV acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIIP and ZEV (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	Building					4	0	0	202,416	4,857,992
2.	8	Equipment		16,832	8,416		20	0	0	51,372	213,902
3.	10	Vehicles					30	0	0	281,681	657,257
4.	47	Electricity Assets and Smart m	9,272	2,466,372	1,233,186		8	0	0	1,310,733	16,306,616

	1 Class number * See note 1 200	Description	10 Proceeds of disposition available to reduce the UCC of AIIP and ZEV (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 and ZEV acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP and ZEV acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for property acquired during the year other than AIIP and ZEV (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	Computer equipment		98,783	49,392		55	0	0	138,298	162,544
6.	12	Software		67,655			100	0	0	36,404	33,827
7.	14.1	Goodwill					7	0	0	19,861	263,867
		Totals	9,272	2,649,642	1,290,994					2,040,765	22,496,005

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, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. 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 AIIP is a property (other than ZEV) that you acquired after November 20, 2018 and became available for use before 2028. ZEV is, subject to certain exceptions, a motor vehicle included in Class 54 or 55 that you acquired after March 18, 2019 and became available for use before 2028. The Government proposes to create Class 56 for zero-emission automotive equipment and vehicles that currently do not benefit from the accelerated rate provided by Classes 54 and 55. Class 56 would apply to eligible zero-emission automotive equipment and vehicles that are acquired after March 1, 2020, and became available for use before 2028. Columns 4, 10, 11 and 12 also apply for additions of class 56 property. See the T2 Corporation Income Tax Guide for more information.

Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 9). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include property acquired 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 at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

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)

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 include property acquired 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 and continuously owned by the transferor until it was acquired by you.

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).
The proceeds of disposition of a ZEV that has been included in Class 54 and that is subject to the $55,000 (plus sales taxes) capital cost limit will be adjusted based on a factor equal to the capital cost limit of $55,000 (plus sales taxes) as a proportion of the actual cost of the vehicle.

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 property of a class in Schedule II, that is AIIP or included in Classes 54 to 56, available for use before 2024 are:
- 2 1/3 for property in Classes 43.1, 54 and 56
- 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 property acquired during the year other than AIIP and ZEV (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, unless certain conditions are met

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

The AIIP also apply to property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit as well as to industrial mineral mine or a right to remove minerals from an industrial mineral mine. See the Income Tax Regulations for more detail.

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		2,658,914		
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	+	1,012,981		
13(7.4) election amount	+	499,413		
Burdened vehicle amortization - not incl in PP&E Cont/Schedule 8	+	-94,700		
Lease amortization - not incl in PP&E amortization	+	171,930		
Rounding	+	-1		
Total additions per books	=	4,248,537	►	4,248,537
Proceeds up to original cost – Schedule 8 regular classes		9,272		
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	=	9,272	► –	9,272
Depreciation and amortization per accounts – Schedule 1			–	1,418,939
Loss on disposal of fixed assets per accounts			–	
Gain on disposal of fixed assets per accounts			+	9,272
Net change per tax return			=	2,829,598

Financial statements

Fixed assets (excluding land) per financial statements

Closing net book value		34,074,888
Opening net book value	–	31,245,290
Net change per financial statements	=	2,829,598

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	2021-12-31

- 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 Services Corp.		87011 2323 RC0001	1					
9.	EPCOR Consumer Services Inc.		82022 2503 RC0001	3					
10.	EPCOR Distribution & Transmission		88355 1426 RC0002	3					
11.	EPCOR Electricity Solutions Ontario		86616 8636 RC0001	3					
12.	EPCOR Energy Alberta GP Inc.		84543 1774 RC0001	3					
13.	EPCOR Gas Texas Inc.	US	NR	3					
14.	EPCOR GL Industrial Water Inc.		73251 2488 RC0001	3					
15.	EPCOR Holdings East Inc.		75341 8912 RC0001	3					
16.	EPCOR Infrastructure Inc.		76128 8513 RC0001	3					
17.	EPCOR Ontario Utilities Inc.		74411 6096 RC0001	3					
18.	EPCOR Commercial Services Inc.		87714 8627 RC0006	3					
19.	EPCOR Services Inc.	US	NR	3					
20.	EPCOR Ontario Operations Manage		77823 9921 RC0001	3					
21.	EPCOR Technologies (Logistics) Inc		86845 7938 RC0001	3					
22.	EPCOR Technologies Inc.		13378 9370 RC0001	3					
23.	EPCOR USA Inc.	US	NR	3					
24.	EPCOR Utilities Holdings Inc.		85508 8761 RC0001	3					
25.	EPCOR Utilities Inc.		89323 8253 RC0001	3					
26.	EPCOR Water (Central) Inc.		83717 7955 RC0002	3					
27.	EPCOR Water (East) Inc.		85314 3923 RC0001	3					
28.	EPCOR Water (West) Inc.		86993 3986 RC0001	3					
29.	EPCOR Water Arizona Inc	US	NR	3					
30.	EPCOR Water Development (West)		89800 5509 RC0001	3					
31.	EPCOR Water New Mexico Inc.	US	NR	3					
32.	EPCOR Water Prairies Inc.		80404 0939 RC0001	3					
33.	EPCOR Water Services Inc.		89322 8742 RC0001	3					
34.	Goliad Midstream Energy LLC	US	NR	3					
35.	Hughes Gas Resources Inc.	US	NR	3					
36.	Pinehurst Utility Construction LLC	US	NR	3					
37.	Rio Verde Utilities Inc.	US	NR	3					
38.	EPCOR Gold Bar RNG Inc.		74092 3875 RC0001	3					
39.	EPCOR RNG Management Inc.		74053 9333 RC0001	3					
40.	EPCOR Gas Texas Development and	US	NR	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
41.	EPCOR Foothills Water Project Inc.	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

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	876,311		9,487		885,798
2						
	Reserves from Part 2 of Schedule 13					
	Totals	876,311		9,487		885,798

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 2021

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 Services Corp.	87011 2323 RC0001	1	500,000		
10	EPCOR Consumer Services Inc.	82022 2503 RC0001	1	500,000		
11	EPCOR Distribution & Transmission Inc.	88355 1426 RC0002	1	500,000		
12	EPCOR Electricity Solutions Ontario Inc.	86616 8636 RC0001	1	500,000		
13	EPCOR Energy Alberta GP Inc.	84543 1774 RC0001	1	500,000		
14	EPCOR Gas Texas Inc.	NR	4			
15	EPCOR GL Industrial Water Inc.	73251 2488 RC0001	1	500,000		
16	EPCOR Holdings East Inc.	75341 8912 RC0001	1	500,000		
17	EPCOR Infrastructure Inc.	76128 8513 RC0001	1	500,000		
18	EPCOR Ontario Utilities Inc.	74411 6096 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 Commercial Services Inc.	87714 8627 RC0006	1	500,000	100.0000	500,000
20	EPCOR Services Inc.	NR	4			
21	EPCOR Ontario Operations Management Inc.	77823 9921 RC0001	1	500,000		
22	EPCOR Technologies (Logistics) Inc.	86845 7938 RC0001	1	500,000		
23	EPCOR Technologies Inc.	13378 9370 RC0001	1	500,000		
24	EPCOR USA Inc.	NR	4			
25	EPCOR Utilities Holdings Inc.	85508 8761 RC0001	1	500,000		
26	EPCOR Utilities Inc.	89323 8253 RC0001	1	500,000		
27	EPCOR Water (Central) Inc.	83717 7955 RC0002	1	500,000		
28	EPCOR Water (East) Inc.	85314 3923 RC0001	1	500,000		
29	EPCOR Water (West) Inc.	86993 3986 RC0001	1	500,000		
30	EPCOR Water Arizona Inc	NR	4			
31	EPCOR Water Development (West) Inc.	89800 5509 RC0001	1	500,000		
32	EPCOR Water New Mexico Inc.	NR	4			
33	EPCOR Water Prairies Inc.	80404 0939 RC0001	1	500,000		
34	EPCOR Water Services Inc.	89322 8742 RC0001	1	500,000		
35	Goliad Midstream Energy LLC	NR	4			
36	Hughes Gas Resources Inc.	NR	4			
37	Pinehurst Utility Construction LLC	NR	4			
38	Rio Verde Utilities Inc.	NR	4			
39	EPCOR Gold Bar RNG Inc.	74092 3875 RC0001	1	500,000		
40	EPCOR RNG Management Inc.	74053 9333 RC0001	1	500,000		
41	EPCOR Gas Texas Development and Services In	NR	4			
42	EPCOR Foothills Water Project Inc.	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 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
EPCOR Electricity Distribution Ontario Inc.	86616 8834 RC0001	2021-12-31

- Use this schedule in determining if the total taxable capital employed in Canada of the corporation (other than a financial institution or an insurance corporation) and its related corporations is greater than $10,000,000.
- If the total taxable capital employed in Canada of the corporation and its related corporations is greater than $10,000,000, file a completed Schedule 33 with your T2 *Corporation Income Tax Return* no later than six months from the end of the tax year.
- Unless otherwise noted, all legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 181(1) defines the terms **financial institution**, **long-term debt**, and **reserves**.
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, **Taxable capital employed in Canada**.

Part 1 – Capital

Add the following year-end amounts:

Reserves that have not been deducted in calculating income for the year under Part I	101			
Capital stock (or members' contributions if incorporated without share capital)	103	5,101,340		
Retained earnings	104	1,075,249		
Contributed surplus	105			
Any other surpluses	106	9,466,014		
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108			
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		15,642,603 ▶	15,642,603	A

Note:

Line 112 is determined by the formula (A – B) x C/D (as per paragraph 181.2(3)(g)) where:

A is the total of all amounts that would be determined for lines 101, 107, 108, 109, and 111 in respect of the partnership for its last fiscal period that ends at or before the end of the year if
- a) those lines applied to partnerships in the same manner that they apply to corporations, and
- b) those amounts were computed without reference to amounts owing by the partnership
  - (i) to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
  - (ii) to any partnership in which a corporation described in subparagraph (i) held a membership interest either directly or indirectly through another partnership.

B is the partnership's deferred unrealized foreign exchange losses at the end of the period,

C is the share of the partnership's income or loss for the period to which the corporation is entitled either directly or indirectly through another partnership, and

D is the partnership's income or loss for the period.

Part 1 – Capital (continued)

Subtotal A (from page 1)			15,642,603	A
Deduct the following amounts:				
Deferred tax debit balance at the end of the year	121			
Any deficit deducted in calculating its shareholders' equity (including, for this purpose, the amount of any provision for the redemption of preferred shares) at the end of the year	122			
To the extent that the amount may reasonably be regarded as being included in any of lines 101 to 112 above for the year, any amount deducted under subsection 135(1) in calculating income under Part I for the year.	123			
Deferred unrealized foreign exchange losses at the end of the year	124			
Subtotal (**add** lines 121 to 124)		▶		B
Capital for the year (amount A **minus** amount B) (if negative, enter "0")	190		15,642,603	

Part 2 – Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation	401	
A loan or advance to another corporation (other than a financial institution)	402	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of another corporation (other than a financial institution)	403	
Long-term debt of a financial institution	404	
A dividend payable on a share of the capital stock of another corporation	405	
A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim or similar obligation of, a partnership each member of which was, throughout the year, another corporation (other than a financial institution) that was not exempt from tax under this Part (otherwise than because of paragraph 181.1(3)(d)), or another partnership described in paragraph 181.2(4)(d.1)	406	
An interest in a partnership (see note 2 below)	407	
Investment allowance for the year (add lines 401 to 407)	490	

Notes:

1. Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of a corporation that is exempt from tax under Part I.3 (other than a non-resident corporation that at no time in the year carried on business in Canada through a permanent establishment).
2. Where the corporation has an interest in a partnership held either directly or indirectly through another partnership, refer to subsection 181.2(5) for additional rules regarding the carrying value of an interest in a partnership.
3. Where a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation. Refer to subsection 181.2(6) for special rules that may apply.

Part 3 – Taxable capital

Capital for the year (line 190)		15,642,603	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	15,642,603	

Part 4 – Taxable capital employed in Canada

To be completed by a corporation that was resident in Canada at any time in the year

Taxable capital for the year (line 500) 15,642,603 x Taxable income earned in Canada **610** 1,000 / Taxable income 1,000 = **Taxable capital employed in Canada** **690** 15,642,603

Notes: 1. Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
2. Where a corporation's taxable income for a tax year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of $1,000.
3. In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

To be completed by a corporation that was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada

Total of all amounts each of which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . **701** ______

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada . . . . **711** ______

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business during the year through a permanent establishment in Canada . . . . **712** ______

Total of all amounts each of which is the carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal or movable property used or held by the corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . **713** ______

Total deductions (**add** lines 711, 712, and 713) ______ ► ______ E

Taxable capital employed in Canada (line 701 **minus** amount E) (if negative, enter "0") . . . . **790** ______

Note: Complete line 713 only if the country in which the corporation is resident did not impose a capital tax for the year on similar assets, or a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

Part 5 – Calculation for purposes of the small business deduction

This part is applicable to corporations that are not associated in the current year, but were associated in the prior year.

Taxable capital employed in Canada (amount from line 690) . . . . ______ F

Deduct: . . . . 10,000,000 G

Excess (amount F **minus** amount G) (if negative, enter "0") ______ H

Calculation for purposes of the small business deduction (amount H x 0.225%) . . . . ______ I

Enter this amount at line 415 of the T2 return.

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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	2021-12-31

- 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	2021-12-31

- 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	49,650,796
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	10,570,420,965
Total assets (total of lines 112 to 116)		10,620,071,761
Total revenue of the corporation for the tax year **	142	47,896,322
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	889,717,293
Total revenue (total of lines 142 to 146)		937,613,615

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

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

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

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

Part 2 – Adjusted net income/loss for CMT purposes

Net income/loss per financial statements *				210	223,955	
Add (to the extent reflected in income/loss):						
Provision for current income taxes/cost of current income taxes	220	4,516				
Provision for deferred income taxes (debits)/cost of future income taxes	222	230,862				
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		235,378	▶		235,378	A
Deduct (to the extent reflected in income/loss):						
Provision for recovery of current income taxes/benefit of current income taxes	320					
Provision for deferred income taxes (credits)/benefit of future income taxes	322					
Equity income from corporations	324					
Financial statement income from partnerships and joint ventures	326					
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330					
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332					
Gain on donation of listed security or ecological gift	340					
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342					
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344					
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346					
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348					
Other deductions (see note below):						
Share of adjusted net loss of partnerships and joint ventures **	328					
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334					
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336					
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338					
381	382					
383	384					
385	386					
387	388					
389	390					
Subtotal			▶			B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)				490	459,333	

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	459,333	
Deduct:				
CMT loss available (amount R from Part 7)	1,134,520			
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available	1,134,520 ▶		1,134,520	C
Net income subject to CMT calculation (if negative, enter "0")		520		

Amount from line 520 ______ x (Number of days in the tax year before July 1, 2010 ______ / Number of days in the tax year 365) x 4 % = ______ 1

Amount from line 520 ______ x (Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365) x 2.7 % = ______ 2

Subtotal (amount 1 **plus** amount 2) ______ 3

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

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

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

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

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

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

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

Ontario taxable income **** / Taxable income ***** ______ = ______

Ontario allocation factor 1.00000 F

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

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

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		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 *		1,134,520 Q		
Deduct:				
CMT loss expired *	700			
CMT loss carryforward at the beginning of the tax year * (see note below)		1,134,520	► 720	1,134,520
Add:				
CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below)			750	
CMT loss available (line 720 **plus** line 750)				1,134,520 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)				459,333
Subtotal (if negative, enter "0")				675,187 S
Add:				
Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount)			760	
CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760)			770	675,187 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	2021-12-31

- 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 Services Corp.	87011 2323 RC0001	0	0
9	EPCOR Consumer Services Inc.	82022 2503 RC0001	0	0
10	EPCOR Distribution & Transmission Inc.	88355 1426 RC0002	0	0
11	EPCOR Electricity Solutions Ontario Inc.	86616 8636 RC0001	0	0
12	EPCOR Energy Alberta GP Inc.	84543 1774 RC0001	0	0
13	EPCOR Gas Texas Inc.	NR	0	0
14	EPCOR GL Industrial Water Inc.	73251 2488 RC0001	0	0
15	EPCOR Holdings East Inc.	75341 8912 RC0001	0	0
16	EPCOR Infrastructure Inc.	76128 8513 RC0001	0	0
17	EPCOR Ontario Utilities Inc.	74411 6096 RC0001	0	0
18	EPCOR Commercial Services Inc.	87714 8627 RC0006	0	0
19	EPCOR Services Inc.	NR	0	0
20	EPCOR Ontario Operations Management Inc.	77823 9921 RC0001	0	0
21	EPCOR Technologies (Logistics) Inc.	86845 7938 RC0001	0	0
22	EPCOR Technologies Inc.	13378 9370 RC0001	0	0
23	EPCOR USA Inc.	NR	0	0
24	EPCOR Utilities Holdings Inc.	85508 8761 RC0001	0	0
25	EPCOR Utilities Inc.	89323 8253 RC0001	2,956,286,325	196,916,571
26	EPCOR Water (Central) Inc.	83717 7955 RC0002	0	0
27	EPCOR Water (East) Inc.	85314 3923 RC0001	0	0
28	EPCOR Water (West) Inc.	86993 3986 RC0001	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 Arizona Inc	NR	0	0
30	EPCOR Water Development (West) Inc.	89800 5509 RC0001	0	0
31	EPCOR Water New Mexico Inc.	NR	0	0
32	EPCOR Water Prairies Inc.	80404 0939 RC0001	0	0
33	EPCOR Water Services Inc.	89322 8742 RC0001	7,614,134,640	692,800,722
34	Goliad Midstream Energy LLC	NR	0	0
35	Hughes Gas Resources Inc.	NR	0	0
36	Pinehurst Utility Construction LLC	NR	0	0
37	Rio Verde Utilities Inc.	NR	0	0
38	EPCOR Gold Bar RNG Inc.	74092 3875 RC0001	0	0
39	EPCOR RNG Management Inc.	74053 9333 RC0001	0	0
40	EPCOR Gas Texas Development and Services Inc.	NR	0	0
41	EPCOR Foothills Water Project Inc.	NR	0	0
		Total	450 10,570,420,965	550 889,717,293

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.