BLUEWATER
POWER
DISTRIBUTION CORPORATION

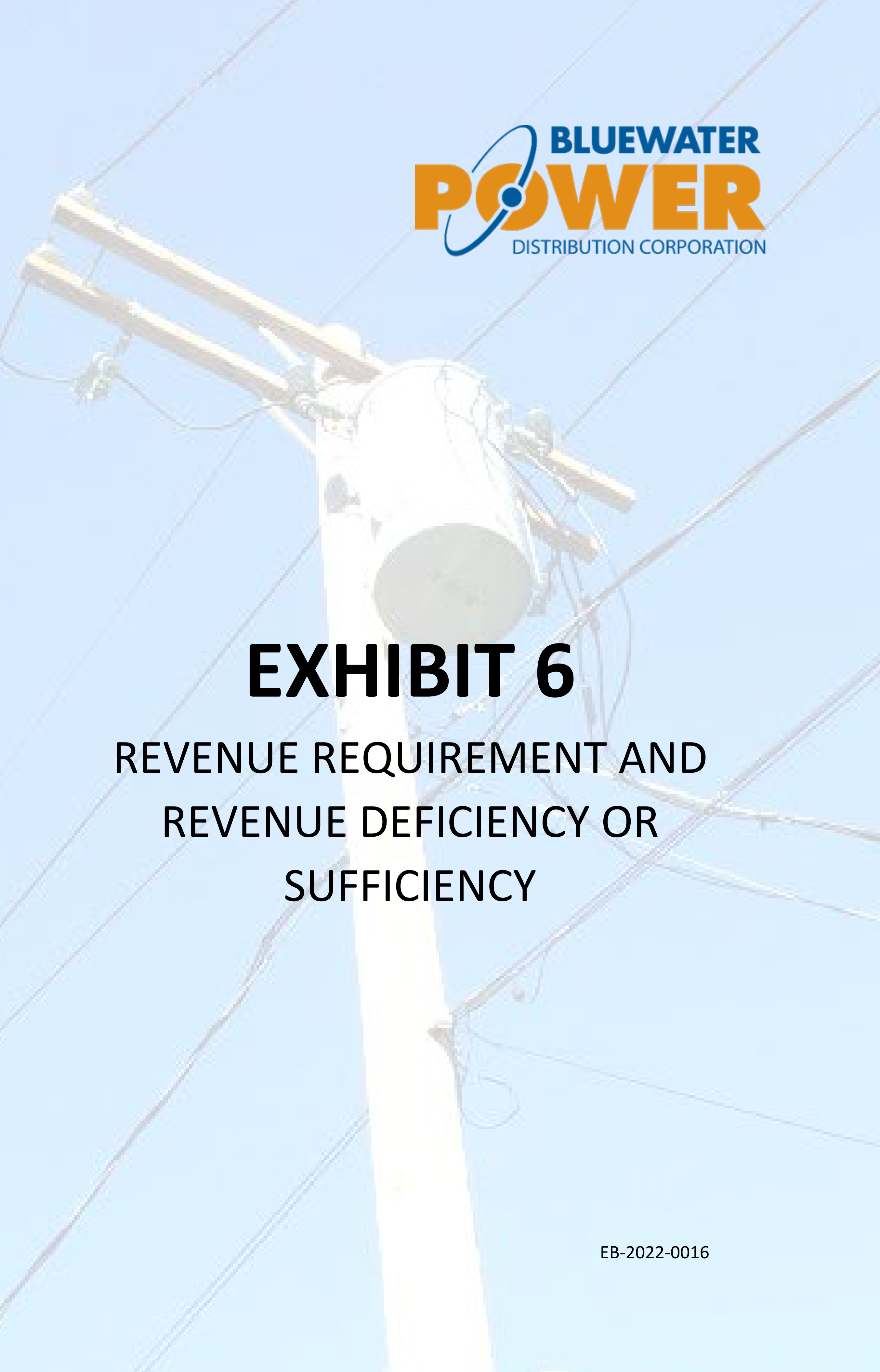

EXHIBIT 6

REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

EB-2022-0016

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6 REVENUE REQUIREMENT AND REVENUE DEFICIENCY OR SUFFICIENCY

6.1 Revenue Deficiency – Overview

The information in this Exhibit supports Bluewater's request for an increase in its revenue requirement to support its proposed capital and operating budgets for the 2023 Test Year.

The following information and cross-reference to further details is provided for each of the items below:

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

The grossed-up revenue deficiency for the 2023 Test Year Revenue Requirement is $2,711,593, and the net revenue deficiency is $1,993,021 and can be verified in Sheet 8.Rev_Def_Suff of the OEB's Revenue Requirement Workform ("RRWF").

The calculations supporting the revenue deficiency exclude the recovery of deferral and variance accounts, pass through charges such as electricity commodity, retail transmission charges, low voltage charges and wholesale market service charges.

6.1.1 Determination of Net Income

The details of the components of the 2023 Net Income that Bluewater is proposing for recovery in this application is provided in **Table 1** below. The 2023 proposed net income information is presented in the RRWF on Sheet 5.

Table 1: Determination of 2023 Proposed Net Income

Operating Revenue	
Distribution Revenue (at proposed rates)	26,438,861
Other Revenue	1,233,238
Total Operating Revenues	**27,672,099**
Operating Expenses	
Operations, Maintenance and Administration Expenses	15,763,833
Depreciation	5,516,322
Property Taxes	228,940
Total Operating Expenses	**21,509,095**
Deemed Interest Expense	2,521,579
Total Expenses	**24,030,674**
Utility income before income taxes	3,641,425
Income taxes (grossed up)	296,827
Utility Net Income (Proposed)	**3,344,597**

6.1.2 Statement of Rate Base

Bluewater is proposing a 2023 rate base of $96,553,044 as presented in **Table 2** below. The rate base is presented on the RRWF Sheet 4.

Table 2: Calculation of Rate Base

Net Fixed Assets Opening Balance 2023	85,630,564
Net Fixed Assets Closing Balance 2023	91,570,874
Average Net Fixed Asset Balance for 2023	**88,600,719**
Working Capital Allowance	
Controllable Expenses	15,992,773
Power Supply Expenses	90,038,222
Total Working Capital Expenses	**106,030,995**
Working Capital Allowance @ 7.5%	**7,952,325**
Total Rate Base	**96,553,044**

6.1.3 Actual Return on Equity portion of Rate Base

The equity portion of rate base is detailed in **Table 3** below and when using the net income at current rates, the actual rate of return is 3.50% and is presented in the RRWF tab 8.

Table 3: Actual Return on Equity Portion of Rate Base

Rate Base	96,553,044
Equity Portion of Rate Base (40%)	38,621,218
Net Income at current rates	1,351,576
Actual Rate of Return on Equity portion of Rate Base	3.50%

6.1.4 Indicated Return on Rate Base

The indicated return on rate base is detailed in **Table 4** and is presented in the RRWF tab 8. The indicated return is the sum of the deemed Interest expense on the applied for rate base, plus the Net Income at current rates. The resulting Indicated Return on rate base of 4.01% supports Bluewater's application for an increase to the applied for weighted average cost of capital return of 6.08%.

Table 4: Indicated Return on Rate Base

Rate Base	96,553,044
Interest Expense (60%)	2,521,579
Net Income at current rates	1,351,576
Total Return on Rate Base	**3,873,155**
Indicated Return on Rate Base	4.01%

6.1.5 Requested Return on Rate Base

Based on the current cost of capital parameters applicable for 2022 rate applications, the deemed equity rate is 8.66%, the deemed Long-term debt rate is 3.49%, and deemed Short-term debt rate is 1.17%. However, Bluewater is proposing a weighted average long-term debt rate of 4.58%, which results in a requested rate of return of 6.08% as detailed in **Table 5** below. The information is presented in the RRWF tab 8.

Table 5: Requested Return on Rate Base

	Rates	Amount
Rate Base		96,553,044
Interest Expense (56%*4.58% plus 4%*1.17%)	4.35%	2,521,579
Equity portion of Rate Base (40%)	8.66%	3,344,597
Total Requested Return on Rate Base		**5,866,177**
Requested Return on Rate Base		6.08%

6.1.6 Deficiency or Sufficiency in Revenue

Bluewater has determined a revenue deficiency (before gross-up) of $1,993,021 as outlined in RRWF tab 8, Line 25 and shown in **Table 6** below.

Table 6: Deficiency in Revenue

Target Return on Equity	3,344,597
Net Income at Current Rates	1,351,576
Deficiency	1,993,021
Grossed up Revenue Deficiency	2,711,593

6.1.7 Gross Deficiency or sufficiency in Revenue

The 2023 Test Year Gross Revenue deficiency before tax is outlined in RRWF tab 8, Line 26 in the amount of $2,711,593 as shown in **Table 6** above.

6.1.8 Summary of Drivers of Revenue Deficiency

Bluewater has determined that it requires a base revenue requirement of $26,438,861, and current rates at the 2023 load forecast would provide $23,727,268 in revenue leading to a deficiency of $2,711,593. Accordingly, Bluewater is requesting to increase rates in order to eliminate the revenue deficiency. **Table 7** below details the variances between the 2023 Test Year values and the last OEB approved 2013 values, in order to determine the reasons for the deficiency. Bluewater confirms there are no changes to methodologies that contributed to the revenue deficiency. The variance in the base revenue requirement between 2023 proposed and 2013 OEB approved is $5.7 million, however $3.0 million has been recovered in annual inflationary rate increases since 2013, which leaves a remaining deficiency of $2.7 million.

Table 7: Revenue Deficiency Components

	2013 OEB Approved	2023 Test Year	Variance
Rate Base			
Average Fixed Assets	52,290,943	88,600,719	36,309,776
Cost of Power	88,827,016	90,038,222	1,211,207
OM&A expenses (including property tax)	12,540,974	15,992,773	3,451,799
Working Capital	**101,367,990**	**106,030,995**	**4,663,006**
Working Capital Allowance (%)	13.00%	7.50%	
Working Capital Allowance	13,177,839	7,952,325	(5,225,514)
Total Rate base	**65,468,782**	**96,553,044**	**31,084,262**
Cost of Capital			
Return on equity	2,351,639	3,344,597	992,958
Interest	1,498,379	2,521,579	1,023,200
Total	**3,850,018**	**5,866,177**	**2,016,159**
Operating Expenses			
Amortization/depreciation	4,948,030	5,516,322	568,292
OM&A expenses (including property tax)	12,540,974	15,992,773	3,451,799
PILs (grossed up)	476,251	296,827	(179,424)
Total	**17,965,255**	**21,805,922**	**3,840,667**
Revenue Requirement			
Service Revenue Requirement	21,815,272	27,672,099	5,856,827
Other Revenue	1,108,249	1,233,238	124,989
Base Revenue Requirement	**20,707,023**	**26,438,861**	**5,731,838**
Revenue at current rates	**20,707,023**	**23,727,268**	**3,020,245**
Revenue Deficiency		**2,711,593**	**2,711,593**
Requested Rate Increase		**11.43%**	

The main drivers of the deficiency are as follows:

- Bluewater is requesting $36.3 million more in average net fixed assets. Bluewater has continued to invest more in its annual capital expenditures over the last ten years. Details on the fixed assets are found in Exhibit 2 – Rate Base.
- Bluewater will realize a $5.2 million decrease in the working capital allowance, related to the 2013 OEB approved value that was based on the working capital allowance at the time of 13%, whereas the current standard working capital allowance is 7.5%.
    - Incorporating the change in working capital allowance, the resulting increase in rate base is $31.1 million.
- The return on capital is proposed to increase by $2.0 million, which is a result of the changing cost of capital parameters and an increase in rate base. Details are provided in Exhibit 5.
- The increase in the total OM&A is $3.4 million, which is in line with expected inflationary increases. Details are provided in Exhibit 4.
- Amortization expense has increased by $0.6 million related to the growth in fixed assets, and the nature and service life of the capital assets. Details are provided in Exhibit 2.
- Grossed up PILs has decreased by $0.2 million primarily related to a higher level of CCA deductions in 2023 vs 2013. Details are provided below in Section 6.2.
- Other Revenue has remained fairly constant and has increased by $0.1 million. Details are provided below in Section 6.3
- The resulting base revenue requirement has increased by $5.7 million related the factors described above.
    - The $5.7 million increase has been offset by the annual inflationary increases in base rates by $3.0 million.
    - The resulting deficiency Bluewater is seeking to recover is approximately $2.7 million, or an increase of 11.43%. Bluewater notes that this comparative increase does not account for increase in current rates that would be received in 2023 under the IRM process, which is forecast to be a significant increase due to inflation.

6.1.9 Revenue Requirement Workform ("RRWF")

Bluewater has completed the RRWF and has filed the Excel version of the model. Below are the comparative value for other periods of time and rates. It should be noted that the formula in cell F34 of Tab 8.Rev_Def_Suff needed to be adjusted. The formula was [=MAX(H31*H33,0)], and needed to be adjusted to [=(H31*H33),00].

The 2022 Bridge Year forecast of distribution revenue at existing rates is $23,803,847 as presented in **Table 8** below.

Table 8: Calculation of 2022 (Bridge Year) forecast of revenue at existing rates

	2022 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES				
Customer Class Name	**Fixed Rate**	**Customers (Connections)**	**Fixed Charge Revenue**	**Variable Revenue**	**TOTAL**
Residential	$34.1800	33,251	13,638,238		13,638,238
General Service < 50 kW	$30.6000	3,489	1,281,124	2,202,156	3,483,280
General Service > 50 to 999 kW	$163.4900	360	705,296	2,513,145	3,218,441
General Service 1000 to 4999 kW	$3,593.5900	9	388,108	310,445	698,553
Large Use	$28,120.7300	4	1,349,795	711,681	2,061,476
Unmetered Scattered Load	$13.7500	241	39,765	80,869	120,634
Sentinel Lighting	$4.4300	359	19,084	34,327	53,411
Street Lighting	$2.7400	10,177	334,620	195,194	529,813
DISTRIBUTION REVENUE			**17,756,030**	**6,047,817**	**23,803,847**

The 2023 Test Year forecast of distribution revenue at existing rates is $23,727,268 as presented in **Table 9** below:

Table 9: Calculation of 2023 Test Year Forecast at Existing rates

	2023 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES				
Customer Class Name	**Current Fixed Rate**	**Customers (Connections)**	**Fixed Charge Revenue**	**Variable Revenue**	**TOTAL**
Residential	$34.1800	33,390	13,695,242		13,695,242
General Service < 50 kW	$30.6000	3,487	1,280,426	2,209,535	3,489,962
General Service > 50 to 999 kW	$163.4900	354	694,506	2,420,395	3,114,901
General Service 1000 to 4999 kW	$3,593.5900	8	344,985	293,835	638,819
Large Use	$28,120.7300	4	1,349,795	716,900	2,066,695
Unmetered Scattered Load	$13.7500	342	56,430	82,330	138,760
Sentinel Lighting	$4.4300	351	18,659	33,584	52,243
Street Lighting	$2.7400	10,193	335,146	195,498	530,644
DISTRIBUTION REVENUE			**17,775,189**	**5,952,079**	**23,727,268**

The 2023 Test Year forecast of distribution revenue at proposed rates is $26,438,861, which represents an overall increase of 11.43% over what the current rates would provide if not updated under the IRM process. **Table 10** below provides the detailed calculations. There is a slight increase of $1,576 over the 2023 Proposed revenue requirement due to rounding of the calculated revenues.

Table 10: Calculation of Proposed 2023 Revenue at Proposed Rates

Customer Class Name	**Fixed Charge**			**Variable Charge**		
	2023 Rate	**Volume**	**Revenue**	**2023 Rate**	**Volume**	**Revenue**
Residential	$39.14	400,680	$15,682,615		264,890,809	
General Service < 50 kW	$30.60	41,844	$1,280,426	$0.0245	103,734,059	$2,541,484
General Service > 50 to 999 kW	$163.49	4,248	$694,506	$5.5068	522,093	$2,875,060
General Service 1000 to 4999 kW	$3,593.59	96	$344,985	$2.2706	219,591	$498,604
Large Use	$26,741.51	48	$1,283,592	$2.0377	474,203	$966,283
Unmetered Scattered Load	$9.57	4,104	$39,275	$0.0260	2,201,349	$57,235
Sentinel Lighting	$5.20	4,212	$21,902	$34.3006	1,149	$39,421
Street Lighting	$3.05	122,316	$373,064	$23.8571	9,147	$218,223
TOTAL			**$19,720,366**			**$7,196,310**

Customer Class Name	Total Distribution Revenue		
	Total Gross Revenue	Less: Tx Allowance	Total Net Revenue
Residential	15,682,615		15,682,615
General Service < 50 kW	3,821,911		3,821,911
General Service > 50 to 999 kW	3,569,565	59,962	3,509,603
General Service 1000 to 4999 kW	843,588	131,755	711,834
Large Use	2,249,876	284,522	1,965,354
Unmetered Scattered Load	96,510		96,510
Sentinel Lighting	61,323		61,323
Street Lighting	591,287		591,287
TOTAL	**$26,916,676**	**$476,239**	**$26,440,437**

Base Revenue Requirement	$	26,438,861
Variance $	$	1,576
Variance %		0.006%

6.2 Payments in Lieu of Taxes ("PILs") and Property Taxes

6.2.1 Overview of Provision in Lieu of Taxes (PILs)

6.2.1.1 2023 PILS Model

Bluewater has completed the OEB 2023 PILS Model and submitted it with this application. As determined by that Model, the amount of PILS that is submitted for recovery in Bluewater's 2023 Revenue Requirement is $296,827.

6.2.2 Historical PILs

6.2.2.1 Latest Filed Corporate PILS Return

Bluewater's 2021 PILS return that was filed with the Ministry of Finance is presented in Attachment 6-1. Attachment 6-1 contains redacted information that is outlined in Bluewater's letter requesting confidential treatment of certain information. The corresponding 2021 audited financial statements that were included with this 2021 PILS return are the same as those presented in Exhibit 1.

6.2.2.2 Tax Assessments and Correspondence

The 2013 to 2021 Notices of Assessments are presented in Attachment 6-2.

Tax Reassessments and Correspondence

The 2014 to 2017 Notices of Reassessments and related statement of adjustments from the Ministry of Finance are presented in Attachment 6-3.

Included in the audit findings for these four years were two significant items subject to reassessment. The first relates to the appropriate CCA class for smart meter expenditures. The original smart meter expenditures incurred in 2010 were recorded in Class 8 with a 20% CCA rate, however the Ministry of Finance prefers Class 47 with an 8% CCA rate. The second relates to the appropriate tax treatment for rotten pole replacement expenditures. These expenditures were deducted as a period expense on Schedule 1 of the tax return, however the Ministry of Finance prefers Class 47 in Schedule 8.

Bluewater is also being reassessed for the 2018 tax year, and expects similar results as the 2014 to 2017 reassessments. Bluewater has filed a Notice of Objection regarding the results of the 2014 to 2017 reassessments. However for 2019 and subsequent years, including the 2022 Bridge Year and 2023 Test Year, Bluewater has filed/forecast following the direction provided by the reassessments for poles and meters as described above. The audits for these five years also resulted in the findings of errors in other items that were expensed for tax purposes that should have been capitalized in Schedule 8.

The resulting tax liability from the 2014 to 2017 reassessments, plus an estimate for the pending 2018 reassessment, has been paid to the Ministry of Finance. Two points are worth noting:

1) This combined payment to the Ministry of Finance (tax liability plus interest) was made in 2020 and is presented as a long-term asset in the audited balance sheet – see audited financial statements in Exhibit 1. This balance sheet presentation will remain pending the outcome of the Notices of Objections filed with the Ministry of Finance for these two reassessed items.

2) Bluewater will record any impact to taxes payable which result from the Notices of Objections in Account 1592 PILs and Tax Variance for 2006 and Subsequent Years.

6.2.2.3 Capital Cost Allowance (CCA)

This section discusses and calculates the Capital Cost Allowance that is used in the 2023 PILS model. It will include the reassessments from the 2014 to 2018 taxation years for the 1) smart meter issue, 2) rotten poles deduction issue, and 3) errors found during audits, plus other minor adjustments in the 2019 to 2021 taxation years. It also includes the calculations for the 2022 Bridge Year and the 2023 Test Year.

2013 to 2021 – Original Schedule 8 per PILS return – Capital Cost Allowance

The original filed schedules are presented in Attachment 6-4.

2013 to 2016 Original Schedule 10 per PILS return – Cumulative Eligible Capital (CEC)

The original filed schedules are presented in Attachment 6-5.

Schedule 10 ceased to exist after 2016 and was combined into a new CCA class in Schedule 8 starting in 2017. As such, the CEC closing balance at December 31, 2016 of $1,119,886 became the opening UCC balance in Class 14.1 in 2017 in Schedule 8.

2014 to 2021 Revised Schedule 8 Balances and 2022 Bridge Year and 2023 Test Year

As a result of the audit reassessments of the 2014 to 2017 taxation years, and the pending reassessment for the 2018 taxation year based on known audit items, Bluewater has recalculated the UCC balances in Schedule 8 for these five years. In addition, the 2019 to 2021 UCC balances are recalculated due to the change in opening UCC balances arising from the 2014 to 2018 audits, as well as some minor adjustments included in the 2020 PILS return.

Note that Class 14.1 (i.e. Schedule 10 – CEC) has been added into the 2014 to 2016 Schedule 8's for ease of reconciling the total combined CCA plus CEC to the Ministry of Finance's Statements of Adjustments, which supports the Notice of Reassessments.

The revised Schedule 8's from 2014 to 2021, as well as the Schedule 8's for the 2022 Bridge Year and the 2023 Test Year, are presented in Attachment 6-6. In addition, and as part of this Application, a working Excel version of these Schedule 8's has been uploaded to the OEB Web Portal. This Excel version shows all of the audit related reconciling items from 2014 to 2021, as well as the 2022 Bridge Year and the 2023 Test Year. The ending 2021 Schedule 8 UCC balances calculated in this Excel version, as well as the 2022 and 2023 calculations, agree to the balances presented in the 2023 PILS model.

Each taxation year from 2014 through to the 2023 Test Year is further explained and reconciled below.

a) 2014 CCA/CEC reconciliation

The 2014 Schedule 8 includes the beginning balances for each CCA class which equals the 2013 ending balances per the 2013 tax return as filed and assessed by the Ministry of Finance. The same is true for Schedule 10. The adjustments made to the 2014 Schedule 8 and 10 include the following items.

1) The Class 8 opening UCC balance included $1,889,532 relating to previous years smart meter acquisitions. This amount is reclassified to Class 47 in 2014.

2) Class 1b did not include $71,251 of various acquisition costs as they were previously expensed on Schedule 1. These are now added to Class 1b.

3) Class 47 did not include $306,903 relating to rotten pole replacement expenditures as they were previously expensed on Schedule 1. These are now added to Class 47.

4) Class 47 did not include $43,145 relating to capital items expensed in error on Schedule 1. These are now added to Class 47.

5) Disallowed Schedule 10 addition of $77,850 relating to professional fees. The resulting cumulative eligible capital deduction of $4,087 is disallowed.

The effect of these adjustments on the 2014 CCA/CEC is summarized in the following **Table 11.**

Table 11: 2014 CCA/CEC Reconciliation

4,634,428	original CCA per Sch 8
(226,743)	disallowed per auditor statement of adjustments (re smart meters)
16,140	allowed per auditor statement of adjustment (re rotten poles)
4,423,825	
97,459	original CEC per Sch 10
(4,087)	disallowed per auditor statement of adjustments
93,372	
4,517,197	total revised CCA plus CEC

b) 2015 CCA/CEC reconciliation

The 2015 Schedule 8 and 10 includes the following adjustments:

1) Class 47 did not include $1,004,840 relating to rotten pole replacement expenditures as they were previously expensed on Schedule 1. These are now added to Class 47.

2) Class 47 did not include $388,080 relating to capital items expensed in error on Schedule 1. These are now added to Class 47.

3) Carryforward of 2014 reassessed items to opening balances.

The effect of these adjustments on the 2015 CCA/CEC is summarized in the following **Table 12**.

Table 12: 2015 CCA/CEC Reconciliation

4,234,066	original CCA per Sch 8
(163,255)	disallowed per auditor statement of adjustments (re smart meters)
86,747	allowed per auditor statement of adjustment (re rotten poles)
4,157,558	
90,637	original CEC per Sch 10
(3,801)	disallowed per auditor statement of adjustments
86,836	
4,244,394	total revised CCA plus CEC

c) 2016 CCA/CEC reconciliation

The 2016 Schedule 8 and 10 includes the following adjustments:

1) Class 47 did not include $1,308,453 relating to rotten pole replacement expenditures as they were previously expensed on Schedule 1. These are now added to Class 47.

2) Class 47 did not include $651,676 relating to capital items expensed in error on Schedule 1. These are now added to Class 47.

3) Carryforward of 2014 and 2015 reassessed items to opening balances.

The effect of these adjustments on the 2016 CCA/CEC is summarized in the following **Table 13**.

Table 13: 2016 CCA/CEC Reconciliation

4,330,239	original CCA per Sch 8
(113,916)	disallowed per auditor statement of adjustments (re smart meters)
214,012	allowed per auditor statement of adjustment (re rotten poles)
4,430,335	
84,293	original CEC per Sch 10
(3,535)	disallowed per auditor statement of adjustments
80,758	
4,511,093	total revised CCA plus CEC

d) 2017 CCA reconciliation

The 2017 Schedule 8 includes the following adjustments:

1) Class 47 did not include $1,897,082 relating to rotten pole replacement expenditures as they were previously expensed on Schedule 1. These are now added to Class 47.

2) Class 47 did not include $96,134 relating to capital items expensed in error on Schedule 1. These are now added to Class 47.

3) Reclassification of proceeds of disposition of $83,855 from Class 10 to Class 47.

4) Carryforward of 2014 to 2016 reassessed items to opening balances. This now include Class 14.1 (previously Schedule 10 CEC).

The effect of these adjustments on the 2017 CCA is summarized in the following **Table 14.**

Table 14: 2017 CCA Reconciliation

4,590,180	original CCA per Sch 8 (now includes Class 14.1)
(75,780)	disallowed per auditor statement of adjustments (re smart meters)
355,103	allowed per auditor statement of adjustment (re rotten poles)
(3,288)	disallowed Class 14.1 per auditor statement of adjustments
12,578	allowed re Class 10 (re $83,855 proceeds correction)
(3,354)	disallowed re Class 47 (re $83,855 proceeds correction)
4,875,439	total revised CCA

e) 2018 CCA reconciliation (based on expected reassessment)

The 2018 Schedule 8 includes the following adjustments:

1) Class 47 did not include $2,311,802 relating to rotten pole replacement expenditures as they were previously expensed on Schedule 1. These are now added to Class 47.

2) Class 47 did not include $94,090 relating to capital items expensed in error on Schedule 1. These are now added to Class 47.

3) Carryforward of 2014 to 2017 reassessed items to opening UCC balances.

The effect of these adjustments on the 2018 CCA is summarized in the following **Table 15.**

Table 15: 2018 CCA Reconciliation (based on expected reassessment)

4,604,240	original CCA per Sch 8
(46,499)	disallowed per auditor statement of adjustments (re smart meters)
502,732	allowed per auditor statement of adjustment (re rotten poles)
(3,057)	disallowed Class 14.1 per auditor statement of adjustments
21,383	allowed re Class 10 (re 2017 $83,855 proceeds correction)
(6,440)	disallowed re Class 47 (re 2017 $83,855 proceeds correction)
5,072,359	total revised CCA

f) 2019 CCA reconciliation

The 2019 Schedule 8 includes the following adjustments:

1) Carryforward of 2014 to 2018 reassessed items to opening UCC balances.

It is noted that for the 2019 and subsequent taxation years, the rotten pole expenditures and smart meter expenditures are both added to Class 47.

The effect of these opening UCC adjustments on the 2019 CCA is summarized in the following **Table 16**.

Table 16: 2019 CCA Reconciliation

6,545,600	original CCA per Sch 8
(24,204)	disallowed per auditor statement of adjustments (re smart meters)
558,819	allowed per auditor statement of adjustment (re rotten poles)
(2,843)	disallowed Class 14.1 per auditor statement of adjustments
14,968	allowed re Class 10 (re 2017 $83,855 proceeds correction)
(5,925)	disallowed re Class 47 (re 2017 $83,855 proceeds correction)
7,086,415	total revised CCA

g) 2020 CCA reconciliation

The 2020 Schedule 8 includes the following adjustments:

1) Carryforward of 2014 to 2018 reassessed items to opening UCC balances.

2) Upon filing the 2020 PILS return, the 2019 remaining UCC of $966,345 relating to the 2014 to 2018 errors found by the Ministry auditor (noted above and accepted by Bluewater) were added to the 2020 Class 47 opening UCC balance.

3) Other minor adjustments totalling an $8,839 CCA addition.

The effect of these adjustments on the 2020 CCA is summarized in the following **Table 17.**

Table 17: 2020 CCA Reconciliation

6,421,164	original CCA per Sch 8
511,134	allowed per auditor statement of adjustments (re rotten poles) (before any adjustments to 2020 opening UCC balance)
(77,308)	adjustment to remove from the $511,134 the 5 years of errors
(7,408)	disallowed per auditor statement of adjustments (re smart meters)
10,478	allowed re Class 10 (re 2017 $83,855 proceeds correction)
(5,451)	disallowed re Class 47 (re 2017 $83,855 proceeds correction)
8,839	other minor adjustments in 2020
6,861,448	total revised CCA

h) 2021 CCA reconciliation

The 2021 Schedule 8 includes the following adjustments:

1) Carryforward of 2014 to 2018 reassessed items to opening UCC balances.

2) Upon filing the 2020 PILS return, the 2019 remaining UCC of $966,345 relating to the 2014 to 2018 errors found by the Ministry auditor (noted above and accepted by Bluewater) were added to the 2020 Class 47 opening UCC balance.

3) Other minor adjustments totalling a $6,746 CCA addition.

The effect of these adjustments on the 2021 CCA is summarized in the following **Table 18**.

Table 18: 2021 CCA Reconciliation

6,281,969	original CCA per Sch 8
470,244	allowed per auditor statement of adjustments (re rotten poles) (before any adjustments to 2020 opening UCC balance)
(71,123)	adjustment to remove from the $470,244 the 5 years of errors
5,073	allowed per auditor statement of adjustments (re smart meters)
7,334	allowed re Class 10 (re 2017 $83,855 proceeds correction)
(5,015)	disallowed re Class 47 (re 2017 $83,855 proceeds correction)
6,746	other minor adjustments in 2020
6,695,228	total revised CCA

i) 2022 Bridge Year Schedule 8 highlights

The 2022 Schedule 8 includes the following:

1) Carryforward of 2021 UCC ending balances.

2) There is $40,000 included as proceeds of disposition in Class 47. This amount relates to the sale of scrap revenue that is budgeted in 2022.

3) There is $1,000,000 included as a reduction to Class 47 representing the 2022 budget for contributions received from developers.

4) There is one vehicle included in the 2022 capital budget for $61,000. Per the definition of Class 10.1, only $33,900 for this vehicle is included as an addition in Schedule 8.

5) The 2022 capital budget includes $350,000 relating to storm restoration costs. The Ministry of Finance through the 2014 to 2018 audits, has allowed these costs to be deducted on Schedule 1 as period expenses. Thus, they are not an addition in Schedule 8.

6) Total net capital additions of $9,874,900 added to the CCA classes. The table below reconciles the capital additions in Schedule 8 for tax purposes to the total capital additions presented in Appendix 2-BA.

Table 19: 2022 Schedule 8 Reconciliation of Capital Additions

CCA Class	Appendix 2-BA
1b	148,500
8	234,100
10	687,000
10.1	33,900
12	1,270,000
47	7,854,500
47	(1,000,000)
50	646,900
	9,874,900
land	900,000
storm restoration	350,000
10.1 excess	27,100
	11,152,000

j) 2023 Test Year Schedule 8 highlights

The 2023 Schedule 8 includes the following:

1) Carryforward of 2022 UCC ending balances.

2) There is $40,000 included as proceeds of disposition in Class 47. This amount relates to the sale of scrap revenue that is budgeted in 2023 and included with other revenue offsets.

3) There is $1,000,000 included as a reduction to Class 47 representing the 2023 budget for contributions received from developers.

4) There are two vehicles included in the 2023 capital budget for $60,000 each. Per the definition of Class 10.1, only $33,900 for each is included as an addition in Schedule 8.

5) The 2023 capital budget includes $385,000 relating to storm restoration costs. The Ministry of Finance through the 2014 to 2018 audits, has allowed these costs to be deducted on Schedule 1 as period expenses. Thus, they are not an addition in Schedule 8.

6) There is $33,542 added to the opening UCC balance for Class 47. This amount relates to the 2022 ending UCC balance for smart grid SCADA monitoring devices as discussed and presented in Exhibit 9.

7) Total capital additions of $10,934,900 added to the CCA classes. The table below reconciles the capital additions in Schedule 8 for tax purposes to the total capital additions presented in Appendix 2-BA.

Table 20: 2023 Schedule 8 Reconciliation of Capital Additions

CCA Class	Appendix 2-BA
1b	122,400
8	594,660
10	165,750
10.1	67,800
12	1,490,000
47	8,943,700
47	(1,000,000)
50	550,590
	10,934,900
10.1 excess	52,200
storm restoration	385,000
	11,372,100

6.2.3 Other Additions and Deductions to Determine Taxable Income

2023 Test Year - Amortization Addback

The amortization addback amount of $4,443,994 for tangible assets plus $1,072,328 for intangible assets total $5,516,322. This can be confirmed in Exhibit 2, OEB Appendix 2-BA and Exhibit 2, OEB Appendix 2-C.

2023 Test Year - Non-Deductible Meals and Entertainment Addback

The addback of $53,471 represents 50% of the 2023 budget amount of $106,942 included in operating expenses.

2023 Test Year - Capital Contributions Received Addback and Deduction

The addback of $1,000,000 represents the 2023 budget amount for contributions from developers. It is included as an addback as per Income Tax Act 12(1)(x) since these funds will be received in the year and are not included in Net Income Before Tax.

The corresponding deduction of $1,000,000 for these contributions is per Income Tax Act 13 (7.4) Election since these funds are a reduction to capital asset additions in Class 47 as presented in Exhibit 2, Appendix 2-BA.

2023 Test Year - Employee Future Benefits Addback

The addback of $274,390 represents the employee future benefit expense amount that is included in the 2023 Test Year operating expenses. It is made up of $173,114 current service cost plus $491,386 interest cost, less $390,110 benefits paid. These amounts can be confirmed in the actuarial report from RSM Canada Consulting LP included in Exhibit 4.

2023 Test Year - Amortization of Contributed Capital Deduction

The deduction of $84,530 represents the 2023 budget for the amortization of contributed capital which is included with other revenue. As the original receipt of contributed capital is treated as a reduction to the additions in Class 47 in Schedule 8, this amount is deducted on Schedule 1.

2023 Test Year – Storm Restoration Costs Deduction

The deduction of $385,000 represents the 2023 capital budget for storm restoration costs. Per the Ministry of Finance PILS audits for 2014 to 2018, these costs are allowed as period expenses in the calculation of taxable income and are therefore deducted on Schedule 1.

2023 Test Year – Sale of Scrap Deduction

The deduction of $40,000 represents the 2023 budget for the sale of scrap, which is included with other revenue. Since this amount is treated as proceeds of disposition in Class 47 on Schedule 8, it is deducted on Schedule 1.

6.2.4 Tax Credits

Bluewater typically hires powerline technician apprentices and co-op students each year. As such, each year's PILS return includes the applicable Apprentice Job Creation Tax Credit and the Ontario Co-operative Education Tax Credit.

In 2023, it is anticipated to have three apprentices employed. Thus, the maximum credit of $2,000 per apprentice, or $6,000, is calculated.

In 2023, it is anticipated to have three co-op students employed. Thus, the maximum credit of $3,000 per co-op student, or $9,000, is calculated.

As a result, the 2023 PILS model has a total of $15,000 of Investment Tax Credits included.

6.2.5 Integrity Checks

Bluewater confirms that all the integrity checks outlined in the 2023 PILS Model have been completed.

6.2.6 Accelerated CCA (Bill C-97)

Account 1592 – PILS and Tax Variances – CCA Changes

Bluewater did not have any Accelerated Investment Incentive Program (AIIP) eligible capital additions from November 20, 2018 to December 31, 2018.

There were AIIP eligible capital additions in 2019, 2020 and 2021 and they were used in the accelerated CCA calculations included in the PILS returns filed with the Ministry. For purposes of Account 1592, the 2022 capital budget expenditures are used in the accelerated CCA calculation.

The full revenue requirement impact of these accelerated CCA changes that were not reflected in base rates from 2019 to 2022 have been recorded in Account 1592. The methodology and detailed calculations by year supporting the balance in Account 1592 that is being submitted for disposition on a final basis in the 2023 cost of service rate application is discussed and presented in Exhibit 9.

2023 Test Year

The 2023 capital budget expenditures are used in the accelerated CCA calculations as found in Schedule 8 that has been submitted with this application.

2024 to 2027

From 2024 to 2027, legislation states that only the suspension of the half-year rule remains. This means that Bluewater will not have as high of a CCA deduction in 2024 to 2027 compared to what underpins base rates, and may incur higher PILS on a comparative basis.

Bluewater is requesting to record any revenue requirement impact each year relating to this CCA legislative change in Account 1592 – PILS and Tax Variance – CCA Changes, as described in Exhibit 9. Bluewater will bring forward any amounts in this account for review and disposition at its next cost of service rate application.

2028 onwards

From 2028 and onwards, legislation states that the suspension of the half-year rule is eliminated. Bluewater’s next cost of service rate application is expected to be based on the 2028 Test Year. In the event this is deferred to a future year, and absent any OEB directives, Bluewater is similarly requesting to record the full revenue requirement impact each year of this CCA legislative change in Account 1592 – PILS and Tax Variance – CCA Changes. Bluewater will bring forward any amounts in this account for review and disposition at its next cost of service rate application.

6.2.7 Taxes Other Than Income Taxes (Property Tax)

Account 6105 relates solely to the recording of property tax expense. **Table 21** below presents the 2021 actual expenditures, the 2022 Bridge Year and the 2023 Test Year. The 2022 Bridge Year amount is based on actual property tax invoices received for the City of Sarnia, Ministry of Finance PIL, and Petrolia, which are included in Attachment 6-7. The 2022 Bridge Year categories for Watford and Miscellaneous are based on a 3% increase over 2021 actuals. The 2023 Test Year is based on a 4% increase over the 2022 Bridge Year.

Table 21: Taxes Other Than Income Taxes

Taxes Other Than Income Taxes	**2021 Actual**	**2022 Bridge Yr**	**2023 Test Yr**
City of Sarnia	185,489	187,626	195,131
Ministry of Finance PIL	19,373	19,589	20,373
Petrolia	9,220	11,584	12,047
Watford	1,165	1,200	1,248
Miscellaneous	132	136	141
Total	215,379	220,135	228,940
Annual Variance $		**4,756**	**8,805**
Variance %		**2%**	**4%**

6.2.8 Non-Recoverable and Disallowed Expenses

Charitable donations is the only cost item that Bluewater has that is deductible for general tax purposes, but for which recovery in 2023 distribution rates is not allowed. Bluewater's 2023 PILS calculations do not have any charitable donation cost amounts included.

6.3 Other Revenue

6.3.1 Overview of Other Revenue

Other distribution revenue is any revenue that is distribution in nature but that is sourced from means other than distribution rates.

Bluewater has grouped the Other Distribution Revenue into the following categories, which aligns with the summary categories outlined in OEB Appendix 2-H, with the exception of separating out Retailer Service Charges from Other Distribution Revenue in order to add clarity. Bluewater notes that OEB Appendix 2-H contained pre-populated data for the years 2017-2021, however that data actually represented 2016-2020 so Bluewater moved that pre-populated data to the correct years.

Table 22: OEB Account Grouping

Account Description	**OEB Accounts**
Miscellaneous Service Revenue	4235
Late Payment Charges	4225
Retailer Service Charges	4082, 4084
Other Distribution Revenue	4086, 4210, 4220, 4245
Other Income & Expenses	4325, 4330, 4355, 4360, 4390, 4405

This schedule will detail the other revenue associated with each account grouping from the 2013 OEB approved amount, to the 2023 Test Year, and a variance analysis for any significant annual variances deemed to be +/- $100,000. The full amount of $1,233,238 for the 2023 Test Year is a revenue offset, meaning this amount of revenue is projected to be recovered from sources other than distribution rates, therefore the Service Revenue Requirement can be reduced by this amount to determine the remaining amount to be covered through distribution rates. **Table 23** below details the amount of Other Revenue by year, and the proposed amount of $1,233,238 is an increase of approximately 11% over the 2013 OEB approved level.

Table 23: Summary of Other Revenue

Account Description	2013 OEB Approved	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Miscellaneous Service Revenue	157,725	183,392	197,117	277,024	288,225	204,909
Late Payment Charges	232,694	322,067	326,487	356,006	449,994	319,593
Retailer Service Charges	48,334	33,292	29,259	26,427	23,532	20,486
Other Distribution Revenue	393,140	460,129	475,444	584,285	627,319	580,257
Other Income or Deductions	276,356	336,653	455,236	277,632	400,589	258,850
Total	**1,108,249**	**1,335,533**	**1,483,543**	**1,521,374**	**1,789,659**	**1,384,095**

Account Description	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Bridge Year	2023 Test Year
Miscellaneous Service Revenue	161,853	209,040	188,817	72,642	75,335	71,875
Late Payment Charges	240,000	247,289	241,882	209,893	200,000	200,000
Retailer Service Charges	18,768	17,735	15,349	14,400	14,017	30,793
Other Distribution Revenue	624,425	627,186	634,594	623,680	591,279	689,320
Other Income or Deductions	421,786	339,475	694,949	406,333	302,331	241,250
Total	**1,466,832**	**1,440,725**	**1,775,591**	**1,326,948**	**1,182,962**	**1,233,238**

6.3.2 Other Revenue Variance Analysis

6.3.2.1 Miscellaneous Service Charges (Account 4235)

The Miscellaneous service charges include the OEB approved specific service charges as outlined in Bluewater's approved Tariffs of Rates and Charges, and which are further detailed in Exhibit 8. It also includes the microFIT/FIT monthly service charge, Benefit Refund revenue, and other miscellaneous revenue. **Table 24** below details the annual changes in the Miscellaneous service charges along with an explanation of any significant annual variances.

In 2019 the OEB directed that LDCs were no longer able to recover the costs related to the delivery of a Collection Notice related to non-payment. This is the reason for the decrease in 2019 for the Collection of Account charges, and the absence of collection revenue beyond 2019.

There are values in the Benefit Refund account for the years 2015-2019. During this period of time the benefit premiums paid exceeded the claim expenses, which created a positive variance in the account. The variance has since diminished, and there is no revenue expected in the 2023 Test Year.

Table 24: Miscellaneous Service Charges

Miscellaneous Service Revenue	2013 OEB Approved	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Duplicate invoices for previous billing	150	150	150	120	30	30
Income tax letter	3,630	1,434	856	737	482	623
Account history	150	-	30	-	15	-
Returned Cheque charge (plus bank charges)	6,255	4,343	4,040	3,319	3,248	3,820
Legal letter charge	3,855	2,603	3,137	1,839	1,783	1,530
Account set up charge / change of occupancy charge	47,700	47,115	49,569	50,456	49,018	49,479
Special Meter reads	30	60	1,292	1,140	278	219
Meter dispute charge plus Measurement Canada fees (if meter found correct)	30	-	30	-	30	-
Collection of account charge – no disconnection	75,840	81,170	98,531	96,944	118,667	81,316
Collection of account charge – no disconnection – after regular hours	-	-	-	-	-	-
Disconnect/Reconnect at meter – during regular hours	10,530	14,099	19,737	18,648	20,766	14,342
Disconnect/Reconnect at meter – after regular hours	370	925	-	1,089	1,459	370
MicroFit/FIT Monthly Fee	5,185	7,634	10,149	11,188	13,486	14,631
Benefit Refund	-	-	-	93,788	73,338	27,693
Miscellaneous One Time	4,000	23,858	9,596	(2,244)	5,626	10,855
Total	**157,725**	**183,392**	**197,117**	**277,024**	**288,225**	**204,908**
Annual Variance $		**25,667**	**13,726**	**79,907**	**11,201**	**(83,317)**

Miscellaneous Service Revenue	**2018 Actual**	**2019 Actual**	**2020 Actual**	**2021 Actual**	**2022 Bridge Year**	**2023 Test Year**
Duplicate invoices for previous billing	30	30	30	30	30	30
Income tax letter	589	617	557	409	455	495
Account history	15	15	15	15	15	15
Returned Cheque charge (plus bank charges)	2,690	2,840	2,645	2,728	2,580	2,700
Legal letter charge	885	750	1,050	690	600	830
Account set up charge / change of occupancy charge	44,600	42,056	41,662	43,282	38,400	42,000
Special Meter reads	510	1,797	900	240	150	240
Meter dispute charge plus Measurement Canada fees (if meter found correct)	30	30	-	-	-	-
Collection of account charge – no disconnection	57,686	14,539	-	-	-	-
Collection of account charge – no disconnection – after regular hours	-	-	-	-	-	-
Disconnect/Reconnect at meter – during regular hours	11,187	10,434	7,110	7,916	7,000	8,385
Disconnect/Reconnect at meter – after regular hours	185	555	555	185	185	-
MicroFit/FIT Monthly Fee	16,062	16,149	14,963	14,249	14,220	14,180
Benefit Refund	26,811	117,512	-	-	-	-
Miscellaneous One Time	573	1,715	119,615	2,899	11,700	3,000
Total	**161,853**	**209,039**	**188,817**	**72,642**	**75,335**	**71,875**
Annual Variance $	**(43,055)**	**47,186**	**(20,223)**	**(116,174)**	**2,693**	**(3,460)**

Variance 2021 vs 2020 = ($116,174)

This decrease is primarily driven by a one-time amount of $114,818 recorded in 2020 to miscellaneous one-time revenue. This amount relates to the cumulative 2016 to 2019 OEB Assessment Costs variance that was recorded in 2020 to Account 1508 'Other Regulatory Assets, Sub-account OEB Cost Assessment Variance'. This cost recovery amount was not previously removed from OM&A and recorded to this deferral account from 2016 to 2019, thus the correcting entry in 2020.

6.3.2.2 Late Payment Charges (Account 4225)

Bluewater charges the OEB approved rate of 1.5% on all overdue balances on a monthly basis. **Table 25** below outlines the amounts charged to customers as late payment revenue. The amounts have fluctuated since 2013, with a peak in 2016 which is attributable to high residential bills during that time period as the provincial government program known as the "Ontario Clean Energy Benefit ("OCEB"), now called Ontario Energy Rebate ("OER"), had not been implemented until January 2017. The higher bills prior to the rebate programs led to more customers in arrears, which contributed to the higher levels of late payment charges. Furthermore, a customer with within our Intermediate rate category within our territory declared bankruptcy and there was an increase in late payment fees pertaining to that customer.

Another contributing factor to the decline in late payment fee revenue from 2017 is likely attributable to the implementation of monthly billing.

Table 25: Late Payment Fees

Late Payment Fee Revenue	2013 OEB Approved	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
	232,694	322,067	326,487	356,006	449,994	319,593
Annual Variance $		**89,373**	**4,420**	**29,519**	**93,988**	**(130,401)**

Late Payment Fee Revenue	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Bridge Year	2023 Test Year
	240,000	247,289	241,882	209,893	200,000	200,000
Annual Variance $	**(79,593)**	**7,289**	**(5,407)**	**(31,989)**	**(9,893)**	**-**

6.3.2.3 Retailer Service Charges (Accounts 4082 and 4084)

The revenue in these accounts relate to monthly regulated service fees that are charged to retailers and their customers for the provision of retailer contract maintenance and consolidated billing charges handled by Bluewater. The revenue is driven by the number of active retailers, and by the number of customers who have contracts with retailers.

The retailer service charge revenue has continued to decline each year as a result of the decreasing number of customer that have contracts with retailers. Furthermore, there have not been any new retailers within Bluewater's service area since 2015.

In May 2019, the OEB increased the retail service charge rates. As an example, the monthly fixed charge increased from $20 per month to the 2022 value of $43.08 per month. The difference between the rates prior to May 2019 and the current rates have been booked to a sub-account of Account 1508, per OEB instructions[1] and the values are included in the Group 2 accounts proposed for disposition to customers. As can be seen in **Table 26** below, the revenue expected in the 2023 Test Year is 120% higher than the

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[1] EB-2015-0304 dated February 14, 2019

base revenue (at the old rates prior to 2019), given that the retailer service charge revenue is projected at the 2022 rates plus an inflationary increase of 3%.

Table 26: Retailer Service Charge Revenue

Retailer Service Charges	2013 OEB Approved	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Retailer Service Agreement -- standard charge	100	100	100	200	-	-
Retailer Service Agreement -- monthly fixed charge (per retailer)	3,447	3,820	3,840	4,320	4,400	4,320
Retailer Service Agreement -- monthly variable charge (per customer)	27,750	17,807	15,404	13,245	11,678	9,856
Distributor-Consolidated Billing -- monthly charge (per customer)	15,000	10,588	9,133	7,934	6,968	5,926
Retailer-Consolidated Billing -- monthly credit (per customer)	-	-	-	-	-	-
Service Transaction Request -- request fee (per request)	858	391	272	258	175	150
Service Transaction Request -- processing fee (per processed request)	1,179	586	511	471	312	234
Total	**48,334**	**33,292**	**29,259**	**26,427**	**23,532**	**20,486**
Variance $		**(15,042)**	**(4,033)**	**(2,832)**	**(2,895)**	**(3,046)**

Retailer Service Charges	**2018 Actual**	**2019 Actual**	**2020 Actual**	**2021 Actual**	**2022 Bridge Year**	**2023 Test Year**
Retailer Service Agreement -- standard charge	-	-	-	-	-	-
Retailer Service Agreement -- monthly fixed charge (per retailer)	4,320	4,100	3,198	4,401	3,840	8,277
Retailer Service Agreement -- monthly variable charge (per customer)	8,804	8,277	7,436	5,933	6,289	13,835
Distributor-Consolidated Billing -- monthly charge (per customer)	5,282	5,045	4,461	3,896	3,773	8,426
Retailer-Consolidated Billing -- monthly credit (per customer)	-	-	-	-	-	-
Service Transaction Request -- request fee (per request)	146	99	78	57	43	98
Service Transaction Request -- processing fee (per processed request)	216	214	176	113	72	157
Total	**18,768**	**17,735**	**15,349**	**14,400**	**14,017**	**30,793**
Variance $	**(1,718)**	**(1,033)**	**(2,386)**	**(950)**	**(383)**	**16,776**

6.3.2.4 Other Distribution Revenue (Accounts 4086, 4210, 4220, 4245)

Other Distribution Revenue includes all the items listed in **Table 27** below. A brief description of all items within this category is provided below.

SSS Administration Fee (Account 4086) revenue is a charge of $0.25 per customer per month for all customers that receive their electricity from Bluewater. The revenue has been fairly consistent annually.

Rent from Electric Property (Account 4210) includes building rental revenue, vehicle rental revenue and Return on Invested Capital which is revenue received from Affiliates in relation to a return on invested capital on vehicles and computer software.

Pole Rental Revenue (Account 4210) for 2013 through 2022 the amount is comprised of the OEB rate of $22.35 per pole per year for access to power poles primarily by telephone and cable service providers. In the OEB Report for Wireline Pole Attachment Charges[2], the OEB increased the rates to be charged related to pole rental, however the incremental revenue was required to be booked to a sub-account of Account 1508 to be disposed to customers at rebasing. Accordingly, this incremental amount is included as part of the Group 2 disposition in Exhibit 9. The pole rental revenue forecast for the 2023 Test Year is the 2022 rate of $34.76 increased by an inflationary rate of 3%, for a 2023 rate of $35.80. Bluewater acknowledges this rate may be updated by the OEB for 2023.

The **Settlement Adjustment** of $20,000 in 2013 OEB Approved is a one-time increase to Other Revenue as agreed to in Bluewater's 2013 rate application.

The **Expansion Deposit Income (Account 4220)** relates to any variances between the amounts collected from customers for expansion deposits collected in accordance of section 3.2.20 – 3.2.23 of the DSC, and the annual true-up with customers of the expansion deposit based on the actual load that materialized.

Customer Contract Income (Account 4220) relates to revenue derived from a settlement between Bluewater and a third party regarding a dispute related to the distribution of electricity. The contract was executed in 2013 and has a twenty-five year term. The revenue fluctuates based on the usage of the customer. Bluewater has used an average of historical usage multiplied by the forecast rate in 2023 for a revenue projection of $70,000 in 2023.

Government and Other Assistance (Account 4245) relates to the amortization of contributed capital received from developers. Prior to 2022, Bluewater amortized the amount received over 25 years on a straight-line basis. Starting in 2022, Bluewater has updated its amortization period to 50 years on a straight-line basis. This serves to better reflect the matching of the amortization period to the related underlying capital assets. This is the main driver for the decrease in amortization from 2021 to 2022.

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[2] EB-2015-0304, Report of the OEB, Wireline Pole Attachment Charges dated March 22, 2018

Bluewater has forecasted $1 million in each of 2022 and 2023 for the gross amount of contributed capital that will be received. Both the forecasted contributed capital and the annual amortization amount are both reflected in Exhibit 4, OEB Appendix 2-BA and Exhibit 6, PILS model.

Table 27: Other Distribution Revenue

Other Distribution Revenue	2013 OEB Approved	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
SSS Administration Fee Revenue	98,395	99,876	101,103	102,682	104,266	109,148
Rent from Electric Property - building	17,200	17,200	18,400	18,402	19,281	20,848
Rent from Electric Property - vehicles	50,176	107,163	111,467	178,894	173,761	121,646
Return on Invested Capital	55,402	55,402	55,404	55,404	55,402	56,510
Pole Rentals	151,967	153,967	152,455	151,939	152,289	155,611
Settlement adjustment	20,000	-	-	-	-	-
Expansion deposit income	-	26,521	27,763	29,662	20,725	6,077
Customer Contract Income	-	-	-	24,034	67,423	68,077
Government and Other Assistance	-	-	8,852	23,268	34,172	42,339
Total	**393,140**	**460,129**	**475,444**	**584,285**	**627,319**	**580,257**
Annual Variance $		**66,989**	**15,315**	**108,841**	**43,034**	**(47,062)**

Other Distribution Revenue	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Bridge Year	2023 Test Year
SSS Administration Fee Revenue	105,909	107,433	107,878	110,070	108,000	108,000
Rent from Electric Property - building	21,268	21,693	22,128	22,570	23,022	23,482
Rent from Electric Property - vehicles	141,467	168,209	112,835	90,945	73,300	90,000
Return on Invested Capital	57,640	58,793	59,969	61,167	62,391	63,639
Pole Rentals	161,575	167,269	166,134	167,423	166,236	249,669
Settlement adjustment	-	-	-	-	-	-
Expansion deposit income	10,540	2,290	5,114	6,988	5,000	-
Customer Contract Income	69,116	31,353	71,125	65,927	88,800	70,000
Government and Other Assistance	56,911	70,146	89,411	98,590	64,530	84,530
Total	**624,425**	**627,186**	**634,594**	**623,680**	**591,279**	**689,320**
Annual Variance $	**44,168**	**2,761**	**7,408**	**(10,914)**	**(32,401)**	**98,041**

Variance 2015 vs 2014 = $108,841

The majority of the variance (approximately $67,000) relates to an increase in rent revenue from vehicles rented from the Distribution Company to the Services Company. This type of revenue varies year over year as it is demand driven. Also, in 2015, a new contract was established which provided for approximately $24,000 of income in 2015 that had not previously existed.

6.3.2.5 Other Income and Expenses (Accounts 4325, 4330, 4355, 4360, 4390, 4405)

Table 28 below details the amounts and nature of other income and expenses accounts not included in the above tables.

Revenue and Expenses from Merchandise, Jobbing Etc. (Accounts 4325 and 4330) net to the amount related to billable jobs that are distribution related. The types of jobs include trenching for service wire, upgrades driven by customers, relocates due to a road widening requested by a road authority, etc. All billable work is demand driven and fluctuates from year to year.

During the period from 2019 to 2022, the resources at Bluewater were challenged by a significant project funded by the Federal, Provincial and Municipal governments that involved the relocation of our electrical infrastructure to facilitate oversized vehicles passage from Sarnia Harbour to Chemical Valley (the "Oversized Load Corridor" or "OLC"). Over the period from April of 2019 to May of 2022, the total value of this project was just over $4.1 million. The majority of the effort was expended in 2020 and 2021. To put that project into perspective, this extraordinary, one-time project represented the equivalent on nearly an entire year of Bluewater's System Renewal Capital Budget spread over two years. This work was in addition to the more normal levels of billable work in those years. We have not seen a comparable billable project, and we do not expect a project of this magnitude to be repeated.

Gain (Loss) on Disposition of Utility and Other Property (Account 4355 and 4360) relates to the net book value of the disposed asset in comparison to the net proceeds realized. Amounts recorded to these accounts are primarily from the disposal of vehicles.

Miscellaneous Non-Operating Income (Account 4390) relates solely to the sale of scrap material. This same amount is also included as a Schedule 1 deduction in the 2023 PILS model as it is treated as proceeds of disposition in Schedule 8. There are no material variances to explain.

Interest & Dividend Income and Carrying Charge Income (Account 4405) is used to record interest revenues on securities, notes, loans, deposits, and all other interest bearing assets. Bluewater does not own shares of any corporations and therefore has no dividend income.

Table 28: Other Income and Expenses

Other Income and Expenses	2013 OEB Approved	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual
Revenues from Merchandise, Jobbing, etc	641,026	549,373	777,775	638,038	765,615	719,440
Cost and Expenses of Merchandising, Jobbing, Etc.	(480,769)	(387,267)	(526,450)	(492,138)	(467,100)	(607,346)
Gain on Disposition of Utility & Other Property	10,000	31,915	-	-	5,685	22,523
Loss on Disposition of Utility & Other Property	-	-	(2,012)	(10,823)	-	-
Miscellaneous Non-Operating Income	20,000	45,209	40,902	44,164	33,890	29,760
Interest and Dividend Income	33,610	50,862	98,120	47,137	18,589	66,660
Carrying charges income	52,489	46,561	66,901	51,254	43,910	27,813
Total	**276,356**	**336,653**	**455,236**	**277,632**	**400,589**	**258,850**
Annual Variance $		**60,297**	**118,583**	**(177,604)**	**122,957**	**(141,739)**

Other Distribution Revenue	**2018 Actual**	**2019 Actual**	**2020 Actual**	**2021 Actual**	**2022 Bridge Year**	**2023 Test Year**
Revenues from Merchandise, Jobbing, etc	902,636	1,249,589	3,155,980	2,312,241	1,265,912	915,000
Cost and Expenses of Merchandising, Jobbing, Etc.	(678,867)	(1,037,440)	(2,678,982)	(2,019,252)	(1,074,581)	(777,750)
Gain on Disposition of Utility & Other Property	5,030	-	58,232	6,825	5,000	5,000
Loss on Disposition of Utility & Other Property	-	-	-	-	-	-
Miscellaneous Non-Operating Income	43,214	22,947	85,444	68,212	40,000	40,000
Interest and Dividend Income	122,138	20,983	45,358	20,769	18,000	20,000
Carrying charges income	27,635	83,396	28,917	17,538	48,000	39,000
Total	**421,786**	**339,475**	**694,949**	**406,334**	**302,331**	**241,250**
Annual Variance $	**162,936**	**(82,311)**	**355,475**	**(288,616)**	**(104,002)**	**(61,081)**

Variance 2014 vs. 2013 = $118,583

Approximately $90,000 of the variance is attributable to an increase in net revenue (i.e. Revenues from Jobbing less Expenses from Jobbing) from billable jobs.

Variance 2015 vs. 2014 = ($177,604)

There was a net decrease in billable jobs of approximately $105,000, and approximately $50,000 decrease related to interest income.

Variance 2016 vs. 2015 = $122,957

The increase relates mainly to the net revenue from billable jobs, which was $298,515 in 2016 vs. $145,900 in 2015 for an increase of approximately $153,000.

Variance 2017 vs. 2016 = ($141,739)

The net revenue from billable jobs decreased from $298,515 to $112,094 which was a decrease of approximately $186,000.

Variance 2018 vs. 2017 = $162,936

The net revenue from billable jobs increased by approximately $112,000.

Variance 2020 vs. 2019 = $355,475

As noted in section 6.3.2.5 related to **Revenue and Expenses from Merchandising and Jobbing**, Bluewater was requested to provide services related to the expansion of the Oversize Load Corridor ("OLC") which commenced in 2019. This created an increase in net billable revenue over a four year period from 2019-2022. The bulk of the work was completed in 2020 and 2021, which contributed $328,316 and $340,034 respectively of net revenue. This work was completed in 2022 and will not be recurring.

Variance 2021 vs. 2020 = ($288,616)

Approximately $184,000 of the decrease is related to a decrease in net billable revenue, and approximately $50,000 decrease is related to the Gain in 2020 disappearing in 2021.

Variance 2022 vs. 2021 ($104,002)

The OLC program explained above was completed in 2022, thus a decrease in net billable revenue is seen in 2022.

6.3.3 Revenue from Affiliates, Shared Services or Corporate Cost Allocation

Bluewater earns revenue from Affiliates from five categories. The nature of each category is explained below. A detailed summary of the annual amounts earned from each category by OEB account is presented in Exhibit 4, Section 4.5.2.3 'Reconciliation between 2-N and Other Revenue', which presents the 2013 OEB Approved, 2013 to 2021 actuals, 2022 Bridge Year and the 2023 Test Year.

6.3.3.1 Building Rent

Bluewater rents office, vehicle and inventory storage space to affiliates. This revenue is recorded in Account 4210.

6.3.3.2 Vehicle Rent

Bluewater rents large bucket trucks to affiliates on a demand basis. This revenue is recorded in Account 4210.

6.3.3.3 Water Billing – Return on Invested Capital

Bluewater charges an affiliate for the use of Bluewater's SAP system to facilitate water billing to municipalities. This revenue is recorded in Account 4210.

6.3.3.4 Joint Pole Rent

Bluewater charges joint pole rental fees to an affiliate who is in the fibre optic internet connectivity business. This revenue is recorded in Account 4210.

6.3.3.5 Billable Revenue - Make Ready Work

Bluewater charges 'make ready work' fees to an affiliate who is in the fibre optic internet connectivity business. This revenue is recorded in Account 4325.

6.3.4 Non Rate-Regulated Utility Operations Revenue and Expenses (Accounts 4375 & 4380)

Bluewater records revenue and costs in these two accounts from three different non-distribution activities. The net revenue from these activities is not related to the distribution service, and therefore has been omitted from the ratemaking calculation. All three non-distribution activities are explained below.

6.3.4.1 CDM Programs

Bluewater historically recorded revenue and expenses related to the IESO (formally OPA) CDM programs to accounts 4375 and 4380 respectively. The revenue recorded in Account 4375 is primarily from the reimbursement of programs costs as well as one-time performance incentives earned. The costs recorded in Account 4380 are primarily made up of flow-through program costs, allocated OM&A costs such as payroll and other direct costs, and costs from Bluewater Power Services Inc., an affiliate, from running certain CDM programs on behalf of Bluewater.

6.3.4.2 Streetlight Installations

For new subdivisions, Bluewater coordinates the installation of the electrical distribution assets and street lighting infrastructure with the developer. All street lighting installations are completed by Bluewater Power Services Inc., an affiliate of Bluewater. The invoice received by Bluewater from the affiliate is recorded in Account 4380. Bluewater then invoices the developer for this streetlight installation cost (with no markup), at the same time it invoices for the electrical distribution installation. The revenue relating to the streetlight installation is recorded in Account 4375, which matches the cost amount recorded in Account 4380.

6.3.4.3 microFit Generation

Bluewater owns two rooftop solar microFIT generation projects. The revenue and expenses from these generation projects is recorded in Accounts 4375 and 4380 respectively.

6.3.4.4 Reconciliation to OEB Appendix 2-N 'Shared Services and Corporate Cost Allocation'

With respect to the revenue recorded in Account 4375, there is no revenue earned from affiliates and therefore no amounts are included in OEB Appendix 2-N.

With respect to the costs recorded in Account 4380, there are two line items in OEB Appendix 2-N which disclose costs from affiliates. Specifically, under 'Services Offered' from Bluewater Power Services Corporation ("BPSC") to Bluewater ("Distco"), the line item labelled 'Pass Through Costs' are the streetlight installation costs invoiced from BPSC described above, and the line item labelled 'OPA-CDM programs' are the CDM program costs invoiced from BPSC also described above. There are no other costs in Account 4380 from affiliates.

6.3.5 No Cross-Subsidization

Bluewater's transfer pricing and cost allocation methodology does not result in cross-subsidization between regulated and non-regulated lines of business, and is in compliance with article 340 of the Accounting Procedures Handbook (APH).

6.3.6 No Discrete Customer Groups

Bluewater does not have any discrete customer groups that are materially impacted by changes to other rates and charges.

ATTACHMENT 6 – 1

BLUEWATER POWER

DISTRIBUTION CORPORATION

EXEMPT & PILS_REDACTED

EB-2022-0016

KPMG LLP
1400-140 Fullarton Street
London ON N6A 5P2
Canada
Telephone (519) 672-4880
Fax (519) 672-5684

PRIVATE AND CONFIDENTIAL

Ms Janice McMichael
President & CEO
Bluewater Power Distribution Corporation
855 Confederation Street
PO Box 2140
Sarnia ON N7T 7L6

June 8, 2022

Dear Ms McMichael:

Subject: Bluewater Power Distribution Corporation - Corporate Income Tax Returns

We have enclosed the corporate income tax return(s) (the "Returns") of Bluewater Power Distribution Corporation (the “Company”) for the period ended December 31, 2021.

☑ T2 – *Corporation Income Tax Return* - EXEMPT
☑ T183 - *Information Return for Corporations Filing Electronically*
(Federal - to be e-filed with CRA) - EXEMPT
☑ T2 – *Corporations Income Tax Return* (to be filed with Ministry of Finance) - PILS
☑ Instalment Schedule
☑ Client copy for your records

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

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

We would like to remind you that tax-deductible inter-corporate dividends that are received subsequent to April 20, 2015 and that are otherwise tax-free under Part I of the Income Tax Act may be re-characterized, under an expanded anti-avoidance rule in subsection 55(2) of the Income Tax Act, as capital gains that are subject to tax if, in general terms, there is insufficient safe income on hand.

You have advised us that either there is sufficient safe income on hand to support the position that the anti-avoidance rule does not apply to the inter-corporate dividends reported in the Returns, or that the anti-avoidance rule does not apply to the inter-corporate dividends reported in the Returns and that safe income on hand is not required to support the position that the anti-avoidance rule does not apply. If you wish to engage KPMG to prepare a safe income on hand calculation, please contact us and we would be pleased to discuss this with you.

FOREIGN PROPERTY

The information return, which reports the Company's specified foreign property, is Form T1135 - *Foreign Income Verification Statement*. Form T1135 should be completed if at any time during 2021 the total cost of all specified foreign property the Company owned or held a beneficial interest in was more than Cdn$100,000.

According to the information you have provided to us, the Company did not hold specified foreign property at any time in 2021 with a total cost of more than Cdn$100,000. As such, we have **not** marked an X in box 259 on page 3 of your return and **we have not completed the Form T1135**. If the information on specified foreign property is incorrect, please let us know immediately.

The Form T1135 is due by **June 30, 2022**. The implications of late filing and/or failure to properly report specified foreign property on the Form T1135 and failure to report income from a specified foreign property on your income tax return are substantial. They include significant penalties and an increase to the normal reassessment period by an additional 3 years. Further, the reassessment period extension would impact otherwise statute-barred tax years and would impact the entire income tax return, not just the foreign income and reporting sections.

DUE DATE OF RETURNS AND PAYMENTS

All returns must be filed with the respective taxing authorities by June 30, 2022 if late filing penalties are to be avoided. We recommend the returns be sent by registered mail and the mailing receipt be kept on file in order to have evidence of the date of filing.

Any balances owing must be remitted as soon as possible if interest charges are to be minimized.

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

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

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

Signature

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

No amount is payable for the **2021** taxation year.

Mailing

🖂 One copy of the signed Form T183 Corp should be returned to KPMG by fax at (519) 672-5684, as soon as possible, no later than June 30, 2022, in order to have the Company's Return filed on or before the due date for filing. **We will not electronically file the Return until we receive a copy of the signed T183CORP**. The Form T183CORP must **not** be sent to the CRA.

T2 – *CORPORATION INCOME TAX RETURN* - MINISTRY OF FINANCE

Signature

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

Refund

A refund of $102,761 is claimed and therefore no amount is payable for the **2021** taxation year.

Mailing

🖂 One copy of the Return and one copy of the Company's financial statements must be **<u>received</u>** by The Ministry of Finance, HYDRO PIL DIVISION, PO Box 620, 33 King Street West, Oshawa, ON, L1H 8E9 no later than **June 30, 2022.** For greater certainty, KPMG will not be mailing this Return.

NOTICES OF ASSESSMENT

If your Company receives a Notice of Assessment that does not agree with the returns prepared by us, please contact us so that we can determine whether any action should be taken. The Company has only 90 days (180 days in the case of Ontario) from the date of mailing of the Assessment in which to object. Failure to respond within the prescribed time limit will cause the Company to lose its right to object to the Assessment.

GENERAL RATE INCOME POOL ("GRIP")

Shareholders receiving eligible dividends as compared to non-eligible dividends, are subject to a reduced rate of income tax. Eligible dividends are paid out of the Company's GRIP balance, which at December 31, 2021 is estimated to be $29,252,331. The supporting calculation is summarized in Schedule 53 of the federal corporate tax return.

In addition, designation of eligible dividends is required, with each shareholder recipient being formally notified in writing at time of payment.

The Company did not designate the payment of an eligible dividend for the current taxation year.

INSTALMENTS

We have prepared and enclose an estimate of tax instalments as applicable for the Company for the taxation year ending on December 31, 2022. The amounts were computed with reference to the Company's taxable income and taxes payable for prior years.

If during the year it is evident that the taxable income or taxable capital for the current year will be substantially less than for the previous taxation year, your instalments may be recalculated. Overpaid instalments may, in certain circumstances, be transferred to other accounts or applied to other liabilities such as payroll withholdings. Please call your KPMG advisor in order that we may determine what course of action should be taken.

In order to avoid interest charges, the tax authorities must receive the instalment payments no later than the date indicated on the attached schedule.

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

Yours truly,

Stephen M. Sauve, CPA, CA
Senior Manager

Enclosure

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2022-12-31

Business number 86572 7390 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

You can pay using one of the methods listed at **canada.ca/payments**. However, when a remittance must mandatorily be made using electronic means, use one of the following electronic payment methods:

- a Canadian financial institution's services;
- the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- a pre-authorized debit agreement set up in the CRA's *My Business Account* service, at **canada.ca/my-cra-business-account**;
- a wire transfer.

Do you want to calculate the tax instalments according to the extended payment date (COVID-19)?* ☐ Yes ☒ No

* The answer to this question is **Yes** when at least one of the dates entered in the **Monthly instalment workchart** or the **Quarterly instalment workchart** sections is after March 17, 2020, and before September 30, 2020.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2022-01-31	63,781		67,915	-4,134	
2022-02-28	63,781		67,915	-8,268	
2022-03-31	54,135				45,867
2022-04-30	54,135				54,135
2022-05-31	54,135				54,135
2022-06-30	54,135				54,135
2022-07-31	54,135				54,135
2022-08-31	54,135				54,135
2022-09-30	54,135				54,135
2022-10-31	54,135				54,135
2022-11-30	54,135				54,135
2022-12-31	54,134				54,134
2023-01-31					56,377
2023-02-28					56,377
Instalment (COVID-19)					
Totals	668,911		135,830		645,835

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** 86572 7390 RC0001

Corporation's name
002 Bluewater Power Distribution Corporation

Address of head office
Has this address changed since the last time we were notified? . . . . **010** Yes ☐ No ☒
If **yes**, complete lines 011 to 018.
011 855 Confederation Street
012 PO Box 2140
City **015** Sarnia
Province, territory, or state **016** ON
Country (other than Canada) **017**
Postal or ZIP code **018** N7T 7L6

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** Yes ☐ No ☒
If **yes**, complete lines 021 to 028.
021 c/o
022
023
City **025**
Province, territory, or state **026**
Country (other than Canada) **027**
Postal or ZIP code **028**

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . **030** Yes ☐ No ☒
If **yes**, complete lines 031 to 038.
031 855 Confederation Street
032 PO Box 2140
City **035** Sarnia
Province, territory, or state **036** ON
Country (other than Canada) **037**
Postal or ZIP code **038** N7T 7L6

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

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

To which tax year does this return apply?
Tax year start 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 ☒
If **yes**, provide the date control was acquired . . . . **065** Year Month Day

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

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes ☐ No ☒

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

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

Is this the final tax year before amalgamation? . . . . **076** Yes ☐ No ☒

Is this the final return up to dissolution? . . . . **078** Yes ☐ No ☒

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

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

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

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
- ☐ 1 Exempt under paragraph 149(1)(e) or (l)
- ☐ 2 Exempt under paragraph 149(1)(j)
- ☐ 4 Exempt under other paragraphs of section 149

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

T2 E (22)

Canada

Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	☒	9
Is the corporation an associated CCPC?	160	☒	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161	☐	49
Does the corporation have any non-resident shareholders who own voting shares?	151	☐	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162	☐	11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	☐	15
Is the corporation claiming a loss or deduction from a tax shelter?	166	☐	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167	☐	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168	☐	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169	☐	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170	☐	29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	☒	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172	☐	
Does the corporation earn income from one or more Internet web pages or websites?	180	☐	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	☒	3
Is the corporation claiming any type of losses?	204	☐	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	☒	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206	☐	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	208	☒	8
Does the corporation have any resource-related deductions?	212	☐	12
Is the corporation claiming deductible reserves?	213	☐	13
Is the corporation claiming a patronage dividend deduction?	216	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	218	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220	☐	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221	☐	21
Does the corporation have any Canadian manufacturing and processing profits?	227	☐	27
Is the corporation claiming an investment tax credit?	231	☒	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	☐	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	☒	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238	☐	38
Is the corporation claiming a Part I tax credit?	242	☐	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244	☐	45
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
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	**273**	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	**274**	☐	59
Is the corporation claiming an air quality improvement tax credit?	**275**	☐	65

Additional information

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

What is the corporation's main revenue-generating business activity? 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	Energy infrastructure provider	**285**	100.000 %
286		**287**	%
288		**289**	%

Did the corporation immigrate to Canada during the tax year?	**291**	Yes ☐	No ☒
Did the corporation emigrate from Canada during the tax year?	**292**	Yes ☐	No ☒
Do you want to be considered as a quarterly instalment remitter if you are eligible?	**293**	Yes ☐	No ☐
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	**294**	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	**295**	Yes ☐	No ☐

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	**300**		2,582,894	A
Deduct:				
Charitable donations from Schedule 2	**311**	15,700		
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		15,700 ▶	15,700	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")			2,567,194	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	**355**			D
Taxable income (amount C **plus** amount D)	**360**		2,567,194	
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** 2,582,894 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** 2,567,194 B

Business limit (see notes 1 and 2 below) . . . . . **410** 500,000 C

Notes:

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

Business limit reduction

Taxable capital business limit reduction

Amount C 500,000 x **415** *** 219,861 D / 11,250 = ... 9,771,600 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** 10,534 – 50,000 = . . F

Amount C 500,000 / 100,000 x Amount F = ... G

The greater of amount E and amount G **422** 9,771,600 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				2,567,194	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")				2,567,194	H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %				333,735	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 . . . . 2,567,194 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) 2,567,194 K x 30 2 / 3 % = 787,273 L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) . . . . 381,291 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)	518,957	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")	518,957	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** 975,534 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 . . . . 2,567,194 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) 2,567,194 ▶ 2,567,194 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) 975,534 I

Deduct:

Small business deduction from line 430 on page 4 . . . . ______ J

Federal tax abatement **608** 256,719

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** 333,735

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** 3,789

Subtotal 594,243 ▶ 594,243 K

Part I tax payable – Amount I **minus** amount K . . . . 381,291 L

Enter amount L on line 700 on page 9.

Privacy notice

Personal information (including the SIN) is collected to administer or enforce 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 the 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 paying interest or penalties, or in 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	381,291
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		381,291

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	287,620
Total tax payable	770	668,911 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		
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795		
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		
Air quality improvement tax credit from Schedule 65	799		
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	771,672	
Total credits	890	771,672 ▶	771,672 B
Balance (amount A **minus** amount B)			-102,761

If the result is negative, you have **a refund**. If the result is positive, you have a **balance owing**.
Enter the amount below on whichever line applies.

Generally, we do not charge or refund a difference of $2 or less.

Refund code **894** 1 Refund 102,761 Balance owing

For information on how to enrol for direct deposit, go to **canada.ca/cra-direct-deposit**.

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

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

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** A4970

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

Certification

I, **950** McMichael (Last name) **951** Janice (First name) **954** President & CEO (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2022-06-08
Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (519) 337-8201
Telephone number

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

958
Name of other authorized person

959
Telephone number

Language of correspondence – Langue de correspondance

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

Financial Statements of

BLUEWATER POWER DISTRIBUTION CORPORATION

And Independent Auditors' Report thereon

Year ended December 31, 2021

KPMG LLP
140 Fullarton Street, Suite 1400
London ON N6A 5P2
Canada
Tel 519 672-4880
Fax 519 672-5684

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Bluewater Power Distribution Corporation

Opinion

We have audited the financial statements of Bluewater Power Distribution Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

“Other information” is defined in professional standards to be the financial or non-financial information (other than the financial statements and the auditors’ report thereon) included in the “annual report”. An “annual report” is defined in professional standards to comprise a document or combination of documents. Professional standards also indicate that:

- an annual report is prepared typically on an annual basis in accordance with
  law, regulation or custom (i.e., is reoccurring)
- an annual report contains or accompanies the financial statements and the
  auditors’ report thereon
- an annual report’s purpose is to provide owners (or similar stakeholders) with information on the Entity's:
  - operations; and/or
  - financial results and financial position as set out in the financial statements.

Based on discussions with management, there are no documents, or combination of documents, expected to meet the definition of an “annual report” under professional standards.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

London, Canada

April 28, 2022

BLUEWATER POWER DISTRIBUTION CORPORATION

Statement of Financial Position
December 31, 2021, with comparative information for December 31, 2020

	Note	2021	2020
Assets			
Current assets			
Accounts receivable	5	$ 12,172,707	$ 10,883,198
Due from related parties	6	449,564	645,209
Unbilled revenue		9,436,560	10,501,655
Income taxes receivable		102,736	-
Materials and supplies	7	793,531	508,297
Prepaid expenses		1,005,867	1,027,673
Total current assets		23,960,965	23,566,032
Non-current assets			
Property, plant and equipment	8	78,955,732	74,256,981
Intangible assets	9	3,551,766	3,556,978
Prepaid income taxes	10	2,126,512	2,126,512
Total non-current assets		84,634,010	79,940,471
Total assets		108,594,975	103,506,503
Regulatory balances	11	6,602,712	5,731,053
Total assets and regulatory balances		$ 115,197,687	$ 109,237,556

See accompanying notes to the financial statements.

BLUEWATER POWER DISTRIBUTION CORPORATION

Statement of Financial Position
December 31, 2021, with comparative information for December 31, 2020

	Note	2021	2020
Liabilities and Equity			
Current liabilities			
Bank indebtedness		$ 138,396	$ 892,791
Accounts payable and accrued liabilities	12	11,927,719	12,406,823
Due to related parties	6	7,250,092	2,981,357
Income taxes payable		-	183,588
Dividends payable	15	1,241,722	1,353,801
Long-term debt due within one year	13	1,000,000	1,821,431
Deposits in aid of construction		3,976,256	2,077,851
Deferred revenue	23	635,409	-
Total current liabilities		26,169,594	21,717,642
Non-current liabilities			
Long-term debt	13	23,710,940	24,710,940
Post-employment benefits	14	13,156,064	13,921,081
Deferred revenue	23	2,041,052	2,545,581
Customer and other deposits		1,885,136	1,804,686
Deferred tax liabilities	10	3,182,000	2,374,000
Total non-current liabilities		43,975,192	45,356,288
Total liabilities		70,144,786	67,073,930
Equity			
Share capital	15	18,022,105	18,022,105
Retained earnings		25,878,021	23,394,578
Accumulated other comprehensive loss		(2,379,746)	(3,386,921)
Total equity		41,520,380	38,029,762
Total liabilities and equity		111,665,166	105,103,692
Regulatory balances	11	3,532,521	4,133,864
Total liabilities, equity and regulatory balances		$ 115,197,687	$ 109,237,556

Commitments and contingencies (note 21)

See accompanying notes to the financial statements.

On behalf of the Board:

______________________________ Director

______________________________ Director

BLUEWATER POWER DISTRIBUTION CORPORATION

Statement of Comprehensive Income
Year ended December 31, 2021, with comparative information for 2020

	Note	2021	2020
Revenue			
Sale of energy	24	$ 94,816,137	$ 107,394,542
Distribution revenue	24	22,454,538	22,065,524
Other	16	3,864,991	5,253,230
		121,135,666	134,713,296
Operating expenses			
Cost of power purchased		95,631,372	108,844,331
Employee salaries and benefits	17	9,797,081	9,579,079
Other expenses	18	5,184,988	6,289,514
Amortization of intangible assets	9	947,854	908,112
Amortization of property, plant and equipment	8	3,728,361	3,356,505
		115,289,656	128,977,541
Income from operating activities		5,846,010	5,735,755
Finance income	19	20,769	45,358
Finance costs	19	2,123,616	2,078,993
Income before income taxes		3,743,163	3,702,120
Income tax expense	10	1,224,000	1,397,000
Net income for the year		2,519,163	2,305,120
Net movement in regulatory balances			
Net movement in regulatory balances	11	665,002	1,394,284
Income tax	10	541,000	362,000
		1,206,002	1,756,284
Net income for the year and net movement in regulatory balances		3,725,165	4,061,404
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefits	14	1,007,175	(934,276)
Tax on remeasurements	10	(267,000)	248,000
Net movement in regulatory balances, net of tax	11	267,000	(248,000)
Other comprehensive income (loss) for the year		1,007,175	(934,276)
Total comprehensive income for the year		$ 4,732,340	$ 3,127,128

See accompanying notes to the financial statements.

BLUEWATER POWER DISTRIBUTION CORPORATION

Statement of Changes in Equity
Year ended December 31, 2021, with comparative information for 2020

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total
Balance at January 1, 2020	$ 18,022,105	$ 20,686,975	$ (2,452,645)	$ 36,256,435
Net income and net movement in regulatory balances	-	4,061,404	-	4,061,404
Other comprehensive loss	-	-	(934,276)	(934,276)
Dividends	-	(1,353,801)	-	(1,353,801)
Balance at December 31, 2020	$ 18,022,105	$ 23,394,578	$ (3,386,921)	$ 38,029,762
Balance at January 1, 2021	$ 18,022,105	$ 23,394,578	$ (3,386,921)	$ 38,029,762
Net income and net movement in regulatory balances	-	3,725,165	-	3,725,165
Other comprehensive income	-	-	1,007,175	1,007,175
Dividends	-	(1,241,722)	-	(1,241,722)
Balance at December 31, 2021	$ 18,022,105	$ 25,878,021	$ (2,379,746)	$ 41,520,380

See accompanying notes to the financial statements.

BLUEWATER POWER DISTRIBUTION CORPORATION

Statement of Cash Flows
Year ended December 31, 2021, with comparative information for 2020

	Note	2021	2020
Operating activities			
Net income and net movement in regulatory balances		$ 3,725,165	$ 4,061,404
Adjustments for:			
Amortization of intangible assets		947,854	908,112
Amortization of property, plant and equipment		3,728,361	3,356,505
Post-employment benefits		(115,827)	(57,472)
Gain on disposal of property, plant and equipment		(6,825)	(58,232)
Net finance costs		2,102,847	2,033,635
Income tax expense		1,224,000	1,397,000
Change in non-cash operating working capital	20	5,395,839	2,385,281
Regulatory balances		(1,206,002)	(1,756,284)
Interest received		20,769	45,358
Interest paid		(1,765,631)	(1,610,069)
Income tax received		3,743	-
Income tax paid		(973,067)	(2,925,714)
Net cash from operating activities		13,081,226	7,779,524
Investing activities			
Purchase of property, plant and equipment		(8,427,112)	(8,324,866)
Proceeds on disposal of property, plant and equipment		6,825	125,950
Purchase of intangible assets		(942,624)	(1,016,249)
Net cash used by investing activities		(9,362,929)	(9,215,165)
Financing activities			
Dividends paid		(1,353,801)	(1,289,482)
Deferred revenue		130,880	392,217
Customer and other deposits received, net		80,450	102,611
Issuance of long-term debt		-	10,000,000
Repayment of long-term debt		(1,821,431)	(4,461,098)
Net cash from (used in) financing activities		(2,963,902)	4,744,248
Change in cash		754,395	3,308,607
Bank indebtedness, beginning of year		(892,791)	(4,201,398)
Bank indebtedness, end of year		$ (138,396)	$ (892,791)

See accompanying notes to the financial statements.

1. Reporting entity

Bluewater Power Distribution Corporation (the “Corporation”) is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the City of Sarnia. The address of the Corporation’s registered office is 855 Confederation Street, Sarnia, Ontario.

The Corporation is wholly owned by Bluewater Power Corporation, which in turn is owned by six municipalities which includes The City of Sarnia, The Town of Petrolia, The Village of Point Edward, The Municipality of Brooke-Alvinston, The Township of Warwick and The Village of Oil Springs. The Corporation delivers electricity and related energy services to residential and commercial customers in these municipalities.

The financial statements are for the Corporation as at and for the year ended December 31, 2021.

2. Basis of presentation

(a) Statement of compliance

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Approval of financial statements

The financial statements were approved by the Board of Directors on April 28, 2022.

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgments

(i) Assumptions and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

2. Basis of presentation (continued)

(e) Use of estimates and judgments (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:

(i) Note 3(b) – measurement of unbilled revenue
(ii) Notes 8,9 – estimation of useful lives of its property, plant and equipment and intangible assets
(iii) Note 11 – recognition and measurement of regulatory balances
(iv) Note 14 – measurement of defined benefit obligations: key actuarial assumptions
(v) Note 21 – recognition and measurement of provisions and contingencies
(vi) Note 3(b) – determination of the performance obligation for contributions from customers and the related amortization period
(vii) Note 3(m) – leases: whether an arrangement contains a lease
(viii) Note 22 – estimation for impairment of doubtful accounts

(f) Rate regulation

The Corporation is regulated by the Ontario Energy Board (“OEB”), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies (“LDCs”), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

Rate setting

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a “Cost of Service” (“COS”) rate application with the OEB when required where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder’s equity required to support the Corporation’s business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application (“IRM”) is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year’s rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand (“GDP IPI-FDD”) net of a productivity factor and a “stretch factor” determined by the relative efficiency of an electricity distributor.

2. Basis of presentation (continued)

(f) Rate regulation (continued)

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in October 2012 for rates effective May 1, 2013 to April 30, 2014. The GDP IPI-FDD for rates effective May 1, 2021 is 2.2% (May 1, 2020 = 2.0%), the Corporation's productivity factor is 0.0% (2020 = 0.0%) and the stretch factor is 0.6% (2020 = 0.3%), resulting in a net adjustment of 1.6% (2020 = 1.7%) to the previous year's rates.

Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.

3. Significant accounting policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

(a) Financial instruments

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in note 3(f). The Corporation does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

(b) Revenue recognition

The Corporation determines revenue recognition through the following steps: a) identification of the contract with a customer, b) identification of the performance obligations in the contract, c) determination of the transaction price, d) allocation of the transaction price to the performance obligations in the contract and e) recognition of revenue when the Corporation satisfies a performance obligation.

3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 Revenue from Contracts with Customers. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered. Revenue from contracts is recognized in profit or loss as and when the work is done. Otherwise contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

3. Significant accounting policies (continued)

(c) Materials and supplies

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.

(d) Property, plant and equipment

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2014, are measured at deemed cost, less accumulated amortization. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated amortization.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of six months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

Amortization is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not amortized. Construction-in-progress assets are not amortized until the project is complete and the asset is available for use.

The estimated useful lives are as follows:
Building - 30 to 60 years
Distribution and transmission systems - 15 to 60 years
Equipment - 5 to 25 years

3. Significant accounting policies (continued)

(e) Intangible assets

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

Computer software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

Payments made to a transmitter for capital contributions towards an upgraded transmission station are classified as intangible assets. These include payments made under a Cost Recovery Agreement for the right of use over the transmission station for which the Corporation does not hold title. Capital contributions are measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:

Computer software - 5 years
Land rights - 25 years
Capital contributions – 45 years

(f) Impairment

(i) Financial assets measured at amortized cost

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is calculated as the difference between an asset’s carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

3. Significant accounting policies (continued)

(f) Impairment (continued)

(ii) Non-financial assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or “CGU”). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(g) Customer deposits

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Regulatory balances

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or Other Comprehensive Income (“OCI”). When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

3. Significant accounting policies (continued)

(i) Regulatory balances (continued)

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

(j) Post-employment benefits

(i) Pension plan

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

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management’s best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

3. Significant accounting policies (continued)

(k) Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash deposits.

Finance costs comprise interest expense on borrowings, interest expense on post-employment benefits and impairment losses on financial assets. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

(l) Income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the “Tax Acts”). Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation (“OEFC”). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

(m) Leases

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

3. Significant accounting policies (continued)

(m) Leases (continued)

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

4. Standards issued but not yet adopted

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. These standards or amendments relate to the measurement and disclosure of financial assets and liabilities. The extent of the impact on adoption of these standards and amendments has not yet been determined.

i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

ii. Definition of Accounting Estimates (Amendments to IAS 8)

iii. Disclosure Initiative - Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

iv. Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

v. Annual Improvements to IFRS Standards 2018–2020

4. Standards issued but not yet adopted (continued)

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements (the 2020 amendments), to clarify the classification of liabilities as current or non-current. The 2020 amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

The 2020 amendments are subject to future developments. Certain application issues resulting from the 2020 amendments have been raised with the IFRS Interpretations Committee, which referred them to the IASB. In November 2021, the IASB published the exposure draft Non-current Liabilities with Covenants (proposed amendments to IAS 1). The exposure draft aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions, in addition to addressing concerns about the classification of such a liability as current or non-current. The IASB proposed to defer the effective date of the 2020 amendments to no earlier than January 1, 2024.

For the purposes of non-current classification, the 2020 amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The 2020 amendments also clarify how a company classifies a liability that includes a counterparty conversion option.

The amendments state that settlement of a liability includes transferring a company’s own equity instruments to the counterparty, and when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity.

The Company intends to adopt this standard in its financial statements for the annual period beginning January 1, 2023 or January 1, 2024 should the effective date be deferred. The extent of the impact of adoption of the standard has not yet been determined.

(ii) Definition of Accounting Estimates (Amendments to IAS 8)

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2023. The extent of the impact of adoption of the standard has not yet been determined.

4. Standards issued but not yet adopted (continued)

(iii) Disclosure Initiative - Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2)

On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted. The amendments help companies provide useful accounting policy disclosures. The key amendments include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;

- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2023. The Company does not expect these standards to have a material impact on the financial statements.

(iv) Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

On May 14, 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16). The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

The amendments provide guidance on the accounting for sale proceeds and the related production costs for items a company produces and sells in the process of making an item of property, plant and equipment available for its intended use. Specifically, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items.

The Company intends to adopt this standard in its financial statements for the annual period beginning January 1, 2022. The extent of the impact of adoption of the standard has not yet been determined.

(v) Annual Improvements to IFRS Standards 2018–2020

On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020. The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted. The amendments relate to the following:

– IFRS 9 Financial Instruments: Clarifies which fees are included for the purpose of performing the '10 per cent test' for derecognition of financial liabilities.

– IFRS 16 Leases: Removes the illustration of payments from the lessor relating to leasehold improvements in the Illustrative Example 13.

4. Standards issued but not yet adopted (continued)

(v) Annual Improvements to IFRS Standards 2018–2020 (continued)

– IAS 41 Agriculture: Removes the requirement to exclude cash flows for taxation when measuring fair value.

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2022. The Company does not expect these standards to have a material impact on the financial statements.

5. Accounts receivable

	2021	2020
Trade receivables	$ 6,994,306	$ 5,982,189
Water billing receivables	3,003,647	2,244,032
Billable work	1,123,728	924,229
Other receivables	1,051,026	1,732,748
	$ 12,172,707	$ 10,883,198

6. Related party transactions

(a) Parent and ultimate controlling party

The sole shareholder of the Corporation is Bluewater Power Corporation, which in turn is owned by six municipalities through their municipal holding companies. The largest, being the City of Sarnia, has a controlling interest with its 86.05% share ownership of Bluewater Power Corporation. The City of Sarnia produces consolidated financial statements that are available for public use. The remaining minority interest is held by the municipalities of Point Edward, Petrolia, Oil Springs, Warwick and Brooke-Alvinston.

(b) Companies under common control

The following companies are also 100% wholly owned by Bluewater Power Corporation:

Bluewater Power Services Corporation
Bluewater Power Renewable Energy Inc.
Electek Power Services Inc.
Bluewater Regional Networks Inc.

(c) Outstanding balances with related parties

	2021	2020
Due from related parties:		
Bluewater Regional Networks Inc.	$ 193,874	$ 27,395
Bluewater Power Services Corporation	114,759	216,132
City of Sarnia	109,978	359,666
Electek Power Services Inc.	30,689	39,956
Bluewater Power Renewable Energy Inc.	264	-
Town of Petrolia	-	2,060
	$ 449,564	$ 645,209

6. Related party transactions (continued)

(c) Outstanding balances with related parties (continued)

	2021	2020
Due to related parties:		
Bluewater Power Corporation	$ 3,500,000	$ -
City of Sarnia – water billing	3,158,730	2,512,450
Town of Petrolia – water billing	232,246	193,026
Bluewater Power Services Corporation	148,963	69,441
Township of Warwick – water billing	75,351	81,189
Electek Power Services Inc.	67,737	6,760
Village of Point Edward – water billing	67,065	-
Unconquered Sun Solar Technologies Inc.	-	105,765
Village of Point Edward - other	-	6,789
City of Sarnia – other	-	4,510
Bluewater Power Renewable Energy Inc.	-	1,427
	$ 7,250,092	$ 2,981,357

The balances owing for water billing have arisen as a result of water billing services provided by the Corporation. The balances owing represent billed amounts not yet remitted to these shareholders.

(d) Transactions with parent and municipal shareholders

During the year, the Corporation billed customers for water services on behalf of certain shareholders and remitted funds to the shareholders in the amount of $42,996,595 (2020 - $40,787,938). The Corporation earned $1,069,289 (2020 - $2,000,712) in service fees from certain shareholders.

(e) Transactions with companies under common control

In the ordinary course of business, the Corporation delivers electricity to various properties owned by related parties. Electricity is billed to these entities at prices and under terms approved by the OEB.

During the course of the year, the Corporation paid $1,242,768 (2020 - $1,596,584) in service fees to companies under common control.

During the course of the year, the Corporation earned the following from companies under common control:

	2021	2020
Management fees	$ 333,578	$ 356,579
Service fees	161,027	194,481
Vehicle rent	90,945	112,835
Billing software rent	61,167	59,969
Building rent	22,570	22,128
	$ 669,287	$ 745,992

7. Materials and supplies

The amount of materials and supplies consumed and recognized as an expense during 2021 was $991,852 (2020 - $1,210,802).

8. Property, plant and equipment

	Land and buildings	Distribution equipment	Other fixed assets	Construction in-progress	Total
Cost or deemed cost					
Balance at January 1, 2021	$9,338,501	$69,736,177	$11,845,002	$699,183	$91,618,863
Additions	231,963	6,413,837	1,451,511	329,801	8,427,112
Disposals/retirements	(128,294)	(3,875)	(994,452)	-	(1,126,621)
Balance at December 31, 2021	$9,442,170	$76,146,139	$12,302,061	$1,028,984	$98,919,354
Balance at January 1, 2020	$9,146,108	$63,601,214	$10,425,854	$849,524	$84,022,700
Additions	192,393	6,502,101	2,147,851	-	8,842,345
Transfers	-	(367,138)	-	(150,341)	(517,479)
Disposals/retirements	-	-	(728,703)	-	(728,703)
Balance at December 31, 2020	$9,338,501	$69,736,177	$11,845,002	$699,183	$91,618,863
Accumulated amortization					
Balance at January 1, 2021	$1,454,874	$11,374,059	$4,532,949	$ -	$17,361,882
Amortization	224,219	2,241,850	1,262,292	-	3,728,361
Disposals/retirements	(128,294)	(3,875)	(994,452)	-	(1,126,621)
Balance at December 31, 2021	$1,550,799	$13,612,034	$4,800,789	$ -	$19,963,622
Balance at January 1, 2020	$1,239,089	$9,311,744	$4,115,529	$ -	$14,666,362
Amortization	215,785	2,062,315	1,078,405	-	3,356,505
Disposals/retirement	-	-	(660,985)	-	(660,985)
Balance at December 31, 2020	$1,454,874	$11,374,059	$4,532,949	$ -	$17,361,882
Carrying amounts					
At December 31, 2021	$7,891,371	$62,534,105	$7,501,272	$1,028,984	$78,955,732
At December 31, 2020	7,883,627	58,362,118	7,312,053	699,183	74,256,981

At December 31, 2021 land and buildings with a carrying amount of $7,891,371 (2020 - $7,883,627) are subject to a general security agreement relating to the Corporation's line of credit (note 22) and long-term debt (note 13).

9. Intangible assets

	Computer software	Capital contribution to transmission station	Land rights	Total
Cost or deemed cost				
Balance at January 1, 2021	$5,353,665	$1,169,720	$173,433	$6,696,818
Additions	942,642	-	-	942,642
Disposals/retirements	(996,105)	-	-	(996,105)
Balance at December 31, 2021	$5,300,202	$1,169,720	$173,433	$6,643,355
Balance at January 1, 2020	$5,009,487	$1,190,000	$173,433	$6,372,920
Additions	1,036,529	-	-	1,036,529
Disposals/retirements	(692,351)	(20,280)	-	(712,631)
Balance at December 31, 2020	$5,353,665	$1,169,720	$173,433	$6,696,818
Accumulated amortization				
Balance at January 1, 2021	$3,079,508	51,988	$8,344	$3,139,840
Amortization	920,668	25,994	1,192	947,854
Disposals/retirements	(996,105)	-	-	(996,105)
Balance at December 31, 2021	$3,004,071	$77,982	$9,536	$3,091,589
Balance at January 1, 2020	$2,890,483	26,444	$7,152	$2,924,079
Amortization	881,376	25,544	1,192	908,112
Disposals/retirements	(692,351)	-	-	(692,351)
Balance at December 31, 2020	$3,079,508	$51,988	$8,344	$3,139,840
Carrying amounts				
At December 31, 2021	$2,296,131	$1,091,738	$163,897	$3,551,766
At December 31, 2020	2,274,157	1,117,732	165,089	3,556,978

10. Income tax expense

	2021	2020
Current tax expense	$ 683,000	$ 771,000
Prior year tax expense	-	264,000
	$ 683,000	$ 1,035,000
Deferred tax expense:		
Change in recognized deductible temporary differences	541,000	362,000
Total current and deferred income tax in profit or loss, before movement of regulatory balances	1,224,000	1,397,000
Other comprehensive income:		
Post-employment benefits	267,000	(248,000)
Total current and deferred tax, before movement of regulatory balances	1,491,000	1,149,000
Net movement in regulatory balances	(808,000)	(114,000)
Income tax expense recognized in Statement of Comprehensive Income	$ 683,000	$ 1,035,000

Reconciliation of effective tax rate

	2021	2020
Income before taxes	$ 5,415,340	$ 4,162,128
Canada and Ontario statutory Income tax rates	26.5%	26.5%
Expected tax provision on income at statutory rates	1,435,000	1,103,000
Increase (decrease) in income taxes resulting from:		
Permanent differences	31,000	33,000
Recognized deductible temporary differences due to/from customers	(808,000)	(114,000)
Prior year reassessments	-	13,000
Other	25,000	-
Income tax expense	$ 683,000	$ 1,035,000

Significant components of the Corporation’s deferred tax balances

	2021	2020
Deferred tax assets (liabilities):		
Property, plant and equipment and intangible assets	$ (6,718,000)	$ (6,075,000)
Post-employment benefits	3,486,000	3,689,000
Other	50,000	12,000
	$ (3,182,000)	$ (2,374,000)

10. Income tax expense (continued)

Prepaid Income Taxes

During 2020, the Company opted to prepay amounts for specific tax positions taken for certain reassessed tax years, as well as tax years soon to be reassessed, by the Ministry of Finance. This was done to mitigate any interest amounts owing should the company be unsuccessful in its appeal of earlier decisions made by the Ministry of Finance.

11. Regulatory balances

Reconciliation of the carrying amount for each class of regulatory balances

Regulatory deferral account debit balances	January 1, 2021	Additions	Recovery/ reversal	December 31, 2021	Remaining years
Group 1 deferred accounts	$3,028,378	$912,383	$ -	$3,940,761	1 to 2
Regulatory settlement account	(2,733,007)	(673,848)		(3,406,855)	nil
Other regulatory accounts	3,061,682	3,447	(178,323)	2,886,806	1 to 3
Income tax	2,374,000	808,000	-	3,182,000	-
	$5,731,053	$1,049,982	$(178,323)	$6,602,712	

Regulatory deferral account debit balances	January 1, 2020	Additions	Recovery/ reversal	December 31, 2020	Remaining years
Group 1 deferred accounts	$1,719,186	$1,309,192	$ -	$3,028,378	1 to 3
Regulatory settlement account	(2,487,285)	(245,722)	-	(2,733,007)	nil
Other regulatory accounts	2,218,842	842,840	-	3,061,682	1 to 4
Income tax	2,260,000	114,000	-	2,374,000	-
	$3,710,743	$2,020,310	$ -	$5,731,053	

Regulatory deferral account credit balances	January 1, 2021	Additions	Recovery/ reversal	December 31, 2021	Remaining years
Group 1 deferred accounts	$6,423,582	$(150,295)	$ -	$6,273,287	1 to 2
Regulatory settlement account	(3,481,606)	(1,199,991)	-	(4,681,597)	nil
Other regulatory accounts	1,191,888	748,943		1,940,831	1 to3
	$4,133,864	$(601,343)	$ -	$3,532,521	

Regulatory deferral account credit balances	January 1, 2020	Additions	Recovery/ reversal	December 31, 2020	Remaining years
Group 1 deferred accounts	$5,553,563	$870,019	$ -	$6,423,582	1 to 3
Regulatory settlement account	(2,518,705)	(962,901)	-	(3,481,606)	nil
Other regulatory accounts	586,980	604,908	-	1,191,888	1 to 4
	$3,621,838	$512,026	$ -	$4,133,864	

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

11. Regulatory balances (continued)

Settlement of the Group 1 regulatory accounts plus LRAMVA is done on an annual basis through application to the OEB. An application was made to the OEB to settle a net receivable amount of $357,531 for LRAMVA to commence in rates effective May 1, 2021. There were no Group 1 regulatory accounts submitted for this same time period. An application was made to the OEB to settle a net receivable amount of $314,805 for Group 1 accounts plus a net receivable amount of $331,601 for LRAMVA, both to commence in rates effective May 1, 2022. Both applications have been approved by the OEB and will be settled over a one year time period. Once OEB approval is received for an application, the approved account balance is moved to the regulatory settlement account in the same month that settlement commences.

The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be settled with its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. For the 2021 fiscal year, the rate was 0.57%.

12. Accounts payable and accrued liabilities

	2021	2020
Accounts payable – energy purchases	$ 8,113,410	$ 6,973,052
Payroll liabilities	1,383,232	1,249,399
Interest payable	-	8,182
Other	2,431,077	4,176,190
	$ 11,927,719	$12,406,823

13. Long-term debt

	2021	2020
Promissory notes payable	$ 19,377,604	$19,377,604
Ontario Infrastructure loan	-	821,431
Installment loan	5,333,336	6,333,336
	24,710,940	26,532,371
Less: due within one year	(1,000,000)	(1,821,431)
	$ 23,710,940	$24,710,940

The promissory notes payable to shareholders bear interest at 6.98% (2020 - 6.98%), due quarterly in arrears, are unsecured and subordinated, and are due on demand with eighteen months written notice. No shareholder has demanded payment and as such, the promissory notes have been presented as a long-term liability.

The Ontario Infrastructure loan matured on September 15, 2021, was secured and subordinated, and had an interest rate of 3.37% per annum. Interest payable in semi-annual installments, in arrears, on March 15 and September 15 each year commencing in 2012 until maturity. The loan was issued on September 15, 2011.

13. Long-term debt (continued)

In April 2020 the Corporation took out a $10 million non-revolving instalment loan with its bank. The loan is amortized over a 10 year period, is secured with a first priority ranking, and bears interest at the monthly Banker's Acceptance (BA) rate plus a stamping fee of 0.75%. At December 31, 2021, the BA rate was 0.44% (2020 - 0.47%), plus the stamping fee of 0.75%, for a total interest rate of 1.19% (2020 - 1.22%). This rate will change each month in conjunction with the underlying monthly change in the BA rate. It has a maturity date of April 2030 and is payable in monthly principal installments of $83,333 plus interest. The Corporation has the option to prepay any amount at any time, which will be applied to its remaining installments in the inverse order of their maturity. The Corporation prepaid $3 million in December 2020.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Deferred revenue	Customer deposits and other	Long-term debt	Dividends payable	Total
Balance at January 1, 2021	$2,545,581	$1,804,686	$26,532,371	$1,353,801	$32,236,439
Changes from financing cash flows:					
Deferred revenue receipts	130,880				130,880
Repayment of customer and other deposits		80,450			80,450
Repayment of long-term debt			(1,821,431)		(1,821,431)
Dividends paid				(1,353,801)	(1,353,801)
Total changes from financing cash flows	130,880	80,450	(1,821,431)	(1,353,801)	(2,963,902)
Other changes:					
Dividends accrued				1,241,722	1,241,722
Interest expense			1,433,546		1,433,546
Interest paid			(1,433,546)		(1,433,546)
Balance at December 31, 2021	$2,676,461	$1,885,136	$24,710,940	$1,241,722	$30,514,259

14. Post-employment benefits

(a) OMERS pension plan

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2021, the Corporation made employer contributions of $1,171,712 to OMERS (2020 - $1,190,346), of which $334,975 (2020 - $341,738) has been capitalized as part of PP&E, $114,078 (2020 - $115,406) has been allocated to affiliates, and the remaining amount of $722,659 (2020 - $733,202) has been recognized in profit or loss. The Corporation estimates that a contribution of $1,219,056 to OMERS will be made during the next fiscal year.

As at December 31, 2021, OMERS had approximately 541,000 members, of whom 100 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2021, which reported that the plan was 97% funded, with an unfunded liability of $3.1 billion. This unfunded liability is likely to result in future payments by participating employers and members.

14. Post-employment benefits (continued)

(b) Post-employment benefits other than pension

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

Reconciliation of the obligation	2021	2020
Defined benefit obligation, beginning of year	$ 13,921,081	$ 12,644,433
Included in profit or loss:		
Current service cost	272,154	240,961
Interest cost	357,985	399,844
	630,139	640,805
Included in other comprehensive income (loss):		
Actuarial (gains) losses arising from:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(1,007,175)	934,276
	(1,007,175)	934,276
Transfer of employees to companies under common control	(83,101)	175
Benefits paid	(304,880)	(298,608)
Defined benefit obligation, end of year	$ 13,156,064	$ 13,921,081

Actuarial assumptions	2021	2020
General inflation	2.0%	2.0%
Discount rate	3.0%	2.6%
Salary levels	2.3%	2.3%
Medical costs	4.7%	4.4%
Dental costs	4.9%	4.7%

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $2,090,700. A 1% decrease in the assumed discount rate would result in the defined benefits obligation increasing by $2,721,000.

A 1% increase in the assumed cost trends rate would result in the defined benefit obligation increasing by $2,415,800. A 1% decrease in the assumed cost trends rate would result in the defined benefit obligation decreasing by $1,891,900.

15. Share capital

	2021	2020
Authorized:		
Unlimited number of common shares		
Issued:		
10,000 common shares	$ 18,022,105	$ 18,022,105

Dividends

The Corporation has established a dividend policy to pay one-third of after-tax income with consideration given to the cash position, working capital requirements, loan covenants, and the net capital expenditures requirements. As well, the holders of the common shares may also receive additional dividends as declared from time to time.

The Corporation declared aggregate dividends at December 31, 2020 of $1,353,801 ($135.38 per share) which were paid in May 2021. It also declared aggregate dividends at December 31, 2019 of $1,289,482 ($128.95 per share) which were paid in May 2020.

The Corporation has declared aggregate dividends at December 31, 2021 of $1,241,722 ($124.17 per share) which will be paid in May 2022.

16. Other revenue

	2021	2020
Rendering of services	$ 2,397,891	$ 3,257,661
LRAM revenue	357,531	359,628
Pole and other rental revenue	342,105	361,066
Late payment charges	209,893	241,882
Collection and other service charges	195,548	192,946
Other	151,193	290,519
CDM revenue	105,415	401,885
Contributions received from customers	98,590	89,411
Gain on disposal of plant and equipment	6,825	58,232
	$ 3,864,991	$ 5,253,230

17. Employee salaries and benefits

	2021	2020
Salaries, wages and benefits	$ 8,481,431	$ 8,312,248
CPP and EI remittances	320,837	292,668
Contributions to OMERS	722,659	733,202
Post-employment benefits	272,154	240,961
	$ 9,797,081	$ 9,579,079

18. Other expenses

	2021	2020
Contract/consulting	$ 2,309,226	$ 2,923,050
Materials and supplies	991,852	1,210,802
Miscellaneous	424,444	303,580
Building and utilities	413,032	394,821
Regulatory fees and memberships	412,537	429,088
Phone, internet and data	259,674	336,268
Vehicle, fuel, tools	228,764	162,133
CDM expenses	105,415	406,729
Covid expenses	40,044	123,043
	$ 5,184,988	$ 6,289,514

19. Finance income and costs

	2021	2020
Finance income		
Interest income on bank deposits	$ 20,769	$ 45,358
Finance costs		
Interest expense on long-term debt	1,433,546	1,483,351
Interest expense on post-employment benefits	357,985	399,844
Impairment losses on financial assets	318,109	79,216
Interest expense - other	13,976	116,582
	2,123,616	2,078,993
Net finance costs recognized in profit or loss	$ (2,102,847)	$ (2,033,635)

20. Changes in non-cash operating working capital:

	2021	2020
Accounts receivable	$ (1,289,509)	$ (226,818)
Due from related parties	195,645	(449,356)
Unbilled revenue	1,065,095	(370,080)
Materials and supplies	(285,234)	(124,184)
Prepaid expenses	21,806	24,422
Accounts payable and accrued liabilities	(479,104)	3,282,336
Due to related parties	4,268,735	13,877
Deposits in aid of construction	1,898,405	235,084
	$ 5,395,839	$ 2,385,281

21. Commitments and contingencies

Contractual obligations

i) Master Customer Demand Management ("CDM") Agreement

On October 31, 2014, the Corporation entered into a Master CDM Agreement ("CDM Agreement") with the Independent Electricity System Operator ("IESO") for the period January 1, 2015 to December 31, 2020. This agreement has been extended into 2022 at which time it will come to an end.

The CDM Agreement provides terms under which the Corporation may engage the IESO to design and pay for Province-wide CDM programs in support of the Corporation meeting its CDM targets. Subject to the terms of the CDM Agreement, all IESO CDM program costs are paid by the IESO. The Corporation effectively acts as a delivery agent for those programs that it participates in under the CDM Agreement.

The total cost of IESO CDM program participation over the four year period is estimated to be $15.8 million, of which approximately $4.6 million represents administration costs of the Corporation for program delivery, and the remaining funds relate to customer incentives. The Corporation is entitled to receive, in monthly installments, reimbursements of its actual administration costs associated with each program. Any administration costs incurred by the Corporation in excess of the pre-approved estimate would not be recoverable. All other program costs incurred by the Corporation, (such as customer incentives and goods and services delivered under the programs) are recoverable from the IESO on an invoiced basis in accordance with the CDM Agreement.

ii) Operating leases

The Corporation is committed to lease agreements for various vehicles, equipment and property rights. The future minimum non-cancellable annual lease payments are as follows:

	2021	2020
Less than one year	$ 48,366	$ 47,881
From one to five years	133,093	147,252
More than five years	85,130	115,632
	$ 266,589	$ 310,765

Operating leases expensed during the year ended December 31, 2021 was $47,881 (2020 - $47,881).

General

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

21. Commitments and contingencies (continued)

General Liability Insurance

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2021, no assessments have been made.

22. Financial instruments and risk management

Fair value disclosure

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments. The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2021 is $24,660,922 (2020 - $26,498,842). The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date. The interest rate used to calculate fair value at December 31, 2021 was 6.25% (2020 - 5.33%) for the promissory notes payable to shareholders, nil% (2020 - 1.60%) for the Ontario Infrastructure loan, and 1.29% (2020 - 1.24%) for the installment loan.

Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.

(a) Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenue from a broad base of customers located in the municipal shareholder territories. No single customer accounts for a balance in excess of 5.8% (2020- 5.7%) of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2021 is $240,000 (2020 - $240,000). An impairment loss of $318,109 (2020 - $79,216) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2021, approximately $296,959 (2020 - $333,360) is considered more than 60 days past due. The Corporation has approximately 36,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2021, the Corporation holds security deposits in the amount of $845,821 (2020 - $1,005,251).

22. Financial instruments and risk management (continued)

Financial risks (continued)

(b) Market risk

Market risk primarily refers to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate in 2021 would have increased interest expense on the long-term debt by $251,693 (2020 - $263,776), assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

(c) Liquidity risk

The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $9,100,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2021, $5,719 (2020 - $331,615) had been drawn under the Corporation's $9,100,000 credit facility.

The Corporation has letters of credit aggregating $3,704,848 (2020 - $3,704,848) in favour of the IESO as security for the Corporation's purchase of electricity through the IESO. The Corporation also has letters of credit aggregating $650,000 (2020 - $650,000) in favour of Hydro One as security for the Corporation's purchase of electricity through Hydro One. At year end, no amounts were drawn on these letters of credit.

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.

(d) Capital disclosures

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2021, shareholder's equity amounts to $41,520,380 (2020 - $38,029,762) and long-term debt amounts to $23,710,940 (2020 - $24,710,940).

22. Financial instruments and risk management (continued)

Financial risks (continued)

(e) Other risk - Impact of COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. The Government of Ontario originally announced a state of emergency on March 17, 2020 which remained in effect until July 24, 2020 when the Reopening Ontario Act, 2020 was introduced providing for restrictive orders. A secondary state of emergency was declared effective January 14, 2021 until February 16, 2021. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The OEB has informed the Company that it is to track any COVID-19 related expenses including bad debt expenses through a deferral account for potential future recovery. On June 17, 2021, the OEB issued OEB-2020-0133 to provide guidance and clarification as to amounts that may be eligible for recovery through future rates. Eligible amounts include certain lost revenues as well as incremental expenditures incurred as a result of the pandemic that are deemed to be material. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Company's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

23. Deferred revenue:

Deferred revenue relates to the capital contributions received from customers and others, as well as conservation program funding advances received from the IESO.

The amount of deferred revenue received from customers and others in the year is recognized as revenue on a straight-line basis over the life of asset for which the contribution was received.

The amount of conservation program funding advances are recognized as revenue when there is reasonable assurance that the conservation program conditions have been satisfied.

	Capital contributions	Conservation program funding	Total
Balance at January 1, 2021	$ 1,910,172	$ 635,409	$ 2,545,581
Received during the year	229,470	-	229,470
Taken into income	(98,590)	-	(98,590)
Balance at December 31, 2021	$ 2,041,052	$ 635,409	$ 2,676,461
Balance at January 1, 2020	$ 1,517,955	$ 635,409	$ 2,153,364
Received during the year	481,628	-	481,628
Taken into income	(89,411)	-	(89,411)
Balance at December 31, 2020	$ 1,910,172	$ 635,409	$ 2,545,581

24. Revenue from contracts with customers

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. In the following tables, revenue from contracts with electricity customers is disaggregated by type of customer.

a) Sale of energy:

	2021	2020
Commercial	$ 43,703,925	$ 50,958,386
Residential	36,489,954	40,113,497
Large users	13,924,813	15,465,587
Other	697,445	857,072
	$ 94,816,137	$ 107,394,542

b) Distribution revenue:

	2021	2020
Residential	$ 12,913,282	$ 12,737,336
Commercial	6,914,094	6,743,720
Large users	1,951,770	1,911,269
Other	675,392	673,199
	$ 22,454,538	$ 22,065,524

Schedule of Instalment Remittances

Name of corporation contact

Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Instalments	771,672
	Final Payment	

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 771,672 **A**

Total instalments credited to the taxation year per T9 771,672 **B**

Transfer

	Account number	Taxation year end	Amount	Effective interest date	Description
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					
From:					
To:					

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Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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			4,732,340	A
Add:				
Provision for income taxes – current	101	683,000		
Amortization of tangible assets	104	3,728,361		
Amortization of intangible assets	106	947,854		
Charitable donations and gifts from Schedule 2	112	15,700		
Non-deductible meals and entertainment expenses	121	61,068		
Subtotal of additions		5,435,983 ▶	5,435,983	
Add:				
Non-deductible legal and accounting fees	228	1,337		

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	1,298
2	Carrying charges recovered less expensed	151,580
3	Employee future benefits	0
4	Election under subsection 13(7.4)	229,470
	Total of column 2	382,348 ▶

	296	382,348		
Subtotal of other additions	199	383,685 ▶	383,685	D
Total additions	500	5,819,668 ▶	5,819,668	
Amount A **plus** line 500			10,552,008	B
Deduct:				
Gain on disposal of assets per financial statements	401	6,825		
Capital cost allowance from Schedule 8	403	6,281,969		
Subtotal of deductions		6,288,794 ▶	6,288,794	

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	Amortization of contributed capital	98,590
2	Sale of Scrap booked to Revenue for accounting	68,212
3	Capital Items expensed for tax	590,736
4	Election under subsection 13(7.4)	229,470
5	Employee future benefits	681,916
6	Co-op & ATTC included in income for acctg	11,396
	Total of column 2	1,680,320 ▶

	396	1,680,320

Subtotal of other deductions	499	1,680,320 ▶	1,680,320	E
Total deductions	510	7,969,114 ▶	7,969,114	
Net income (loss) for income tax purposes (amount B **minus** line 510)			2,582,894	C

Enter amount C on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
☒	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
☒	Ontario co-operative education tax credit	
☒	Ontario apprenticeship training tax credit	1,298
☐	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario book publishing tax credit	
☐	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
☐	Ontario business-research institute tax credit	
☐	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Various	15,700
Subtotal	15,700
Add: Total donations of less than $100 each	
Total donations in current tax year	15,700

Part 1 – Charitable donations

		Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			1A		
Charitable donations expired after five tax years*	**239**				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	**240**				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	**250**				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	**210**	15,700		15,700	15,700
Subtotal (line 250 **plus** line 210)		15,700	1B	15,700	15,700
Subtotal (line 240 **plus** amount 1B)		15,700	1C	15,700	15,700
Adjustment for an acquisition of control	**255**				
Total charitable donations available (amount 1C **minus** line 255)		15,700	1D	15,700	15,700
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	**260**	15,700		15,700	15,700
Charitable donations closing balance (amount 1D **minus** line 260)	**280**				
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	**262**				
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1		

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	**263**		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2024)	**265**		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 %				1,937,171 2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2		**225**		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)		**227**		
The amount of the recapture of capital cost allowance in respect of charitable donations	**230**			
Proceeds of disposition, **less** outlays and expenses Note 2	2B			
Capital cost Note 2	2C			
Amount 2B or 2C, whichever is less	**235**			
Amount on line 230 or 235, whichever is less			2D	
Subtotal (**add** lines 225, 227, and amount 2D)			2E	
Amount 2E **multiplied** by 25 %				2F
Subtotal (amount 2A **plus** amount 2F)				1,937,171 2G
Maximum allowable deduction for charitable donations (enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least)				15,700 2H

Note 1: For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2: This amount must be prorated by the following calculation, eligible amount of the gift **divided** by the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	**439**				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	**440**				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	**450**				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	**410**				
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	**455**				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	**460**				
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	**480**				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year	4A			
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	**539**			
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount 4A **minus** line 539)	**540**			
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	**550**			
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	**520**			
Subtotal (line 550 **plus** line 520)	4B			
Subtotal (line 540 **plus** amount 4B)	4C			
Adjustment for an acquisition of control	**555**			
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	**560**			
Subtotal (line 555 **plus** line 560)	4D			
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	**580**			

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date ....

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year*	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year .			5A		
Additional deduction for gifts of medicine expired after five tax years* . .	639				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A **minus** line 639)	640				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	650				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	602				
Cost of gifts of medicine made before March 22, 2017	601				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	600				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

where:

a is the **lesser** of line 601 and amount 5C

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income . . . . (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F)	680				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total				

***** For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2020-12-31	
2nd prior year	2019-12-31	
3rd prior year	2018-12-31	
4th prior year	2017-12-31	
5th prior year	2016-12-31	
6th prior year*	2015-12-31	
7th prior year	2014-12-31	
8th prior year	2013-12-31	
9th prior year	2012-12-31	
10th prior year	2011-12-31	
11th prior year	2010-12-31	
12th prior year	2009-12-31	
13th prior year	2008-12-31	
14th prior year	2007-12-31	
15th prior year	2006-12-31	
16th prior year	2005-12-31	
17th prior year	2004-12-31	
18th prior year	2003-12-31	
19th prior year	2002-12-31	
20th prior year	2001-12-31	
21st prior year*	2001-09-30	
Total		

* These gifts expired in the current year.

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Schedule 3

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.
  Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H, I, I.1 and L **only if** the payer corporation is **connected.**

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing columns J, K and L use the **special calculations provided in the notes**.

	A Name of payer corporation (from which the corporation received the dividend) **200**	A1	B Enter 1 if payer corporation is **connected** **205**	C Business number of **connected** corporation **210**	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD **220**	E Non-taxable dividends under section 83 **230**
1			2			
					Total of column E (enter amount on line 402 of Schedule 1)	

Part 1 – Dividends received in the tax year (continued)

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1),(b), or (d)note 1 **240**	F1	G Eligible dividends included in column F **242**	H Total taxable dividends paid by **connected** payer corporation (for tax year in column D) **250**
1				

	I Dividend refund of the **connected** payer corporation (for tax year in column D)note 2 **260**	I.1 Dividend refund of the **connected** payer corporation from its eligible refundable dividend tax on hand (ERDTOH) (for tax year in column D) notes 2 and 5	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3%note 3 **265**	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3%note 4 **275**	L Part IV tax before deductions on taxable dividends received from **connected** corporations notes 2 and 5 **280**
1					

Total of column L (enter amount on line 2E in Part 2)

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) 1A

Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B) 1B

Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return) 1C

Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) 1D

Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B) 1E

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) 1F

Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B) 1G

Subtotal (amount 1F **plus** amount 1G) ▶ 1H

Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) 1I

Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B) 1J

Subtotal (amount 1I **plus** amount 1J) ▶ 1K

Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H **minus** amount 1K) 1L

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable. For column L, you only have to estimate the payer's dividend refund from its eligible refundable dividend tax on hand (ERDTOH) (column I.1).

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

5 For taxable dividends received from connected corporations (with a tax year starting after 2018), Part IV tax on dividends is equal to: total of amounts CC and II of the connected payer corporation (on page 7 of the T2 return) divided by column H multiplied by column F. If there is no dividend refund (or estimated dividend refund) to the connected payer corporation from its ERDTOH for paying the taxable dividends, enter "0" in column L.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320**

Subtotal (amount 2A **minus** line 320) ▶ 2B

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax (total of lines 330 to 345) 2C

Amount 2C **multiplied** by 38 1 / 3 % 2D

Part IV tax payable (amount 2B **minus** amount 2D, if negative enter "0") **360**

(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1) 2E

Amount 4A from Schedule 43 . . . . 2F

Part IV tax payable on taxable dividends received from connected corporations (amount 2E **minus** amount 2F, if negative enter "0") 2G

(enter at amount L on page 7 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) 2H

Amount 4C from Schedule 43 . . . . 2I

Part IV tax payable on eligible dividends received from non-connected corporations (amount 2H **minus** amount 2I, if negative enter "0") 2J

(enter at amount M on page 7 of the T2 return)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of recipient corporation with which you are connected **400**	M Business number **410**	N Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD **420**	O Taxable dividends paid to recipient corporations with which you are connected **430**	P Eligible dividends included in column O **440**
1	Bluewater Power Corporation	89247 0410 RC0001	2021-12-31	1,353,801	
2					
				1,353,801 (Total of column O)	(Total of column P)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations	450			
Eligible dividends included in line 450	455			
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O **plus** line 450)	460		1,353,801	
Total eligible dividends paid in the tax year (total of column P **plus** line 455)	465			
Total non-eligible taxable dividends paid in the tax year (line 460 **minus** line 465)	470		1,353,801	

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 **multiplied** by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 **multiplied** by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)	518,957	3B

Part 4 – Total dividends paid in the tax year

Complete this part **if** the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)			1,353,801	
Other dividends paid in the tax year (total of 510 to 540)				
Total dividends paid in the tax year	500		1,353,801	
Dividends paid out of capital dividend account	510			
Capital gains dividends	520			
Dividends paid on shares described in subsection 129(1.2)	530			
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540			
Subtotal (total of lines 510 to 540)			►	4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount 4A)			1,353,801	4B

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- Use this schedule if any of the following apply to your corporation during the tax year:
  - – it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - – it is claiming provincial or territorial tax credits or rebates (see Part 2)
  - – it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)
- All legislative references are to the federal Income Tax Regulations (the Regulations).
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ____________ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year Note 1		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2 Note 2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

Note 1: **Permanent establishment** is defined in subsection 400(2).
Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
2,567,194		2,567,194	295,227

Ontario basic income tax (from Schedule 500)	270	295,227			
Ontario small business deduction (from Schedule 500)	402				
Subtotal (line 270 **minus** line 402)		295,227	►	295,227	5A
Ontario transitional tax debits (from Schedule 506)	276				
Recapture of Ontario research and development tax credit (from Schedule 508)	277				
Subtotal (line 276 **plus** line 277)			►		5B
Gross Ontario tax (amount 5A **plus** amount 5B)				295,227	5C
Ontario resource tax credit (from Schedule 504)	404				
Ontario tax credit for manufacturing and processing (from Schedule 502)	406				
Ontario foreign tax credit (from Schedule 21)	408				
Ontario credit union tax reduction (from Schedule 500)	410				
Ontario political contributions tax credit (from Schedule 525)	415				
Ontario non-refundable tax credits (total of lines 404 to 415)			►		5D
Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0")				295,227	5E
Ontario research and development tax credit (from Schedule 508)			416		
Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0")				295,227	5F
Ontario corporate minimum tax credit (from Schedule 510)			418		
Ontario community food program donation tax credit for farmers (from Schedule 2)			420		
Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0")				295,227	5G
Ontario corporate minimum tax (from Schedule 510)	278				
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)			►		5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				295,227	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452	7,607			
Ontario apprenticeship training tax credit (from Schedule 552)	454				
Ontario computer animation and special effects tax credit (from Schedule 554)	456				
Ontario film and television tax credit (from Schedule 556)	458				
Ontario production services tax credit (from Schedule 558)	460				
Ontario interactive digital media tax credit (from Schedule 560)	462				
Ontario book publishing tax credit (from Schedule 564)	466				
Ontario innovation tax credit (from Schedule 566)	468				
Ontario business-research institute tax credit (from Schedule 568)	470				
Ontario regional opportunities investment tax credit (from Schedule 570)	472				
Ontario refundable tax credits (total of lines 450 to 472)		7,607	►	7,607	5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) (if a credit, enter amount in brackets) Include this amount on line 255.			290	287,620	

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255 287,620

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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 ☒

	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		11,663,802						0	11,663,802
2.	1b		2,884,520	231,963	231,963				0	3,116,483
3.	2		5,658,655						0	5,658,655
4.	8		1,263,743	196,300	196,300				0	1,460,043
5.	10		1,243,926	320,912	320,912				6,825	1,558,013
6.	10.1	Supervisor Truck	13,051						N/A	13,051
7.	10.1		18,645						N/A	18,645
8.	14.1		783,335						0	783,335
9.	17		16,830						0	16,830
10.	45		65						0	65
11.	46		11,434						0	11,434
12.	47		25,449,769	5,596,333	5,596,333				68,212	30,977,890
13.	50		506,617	1,097,589	1,097,589				0	1,604,206
14.	95		1,393,645	1,531,411	1,531,411				1,393,645	1,531,411
15.	10.1	2021 Ford F-150		33,900	33,900				N/A	33,900
16.	10.1	2021 Ford Super Duty		33,900	33,900				N/A	33,900
17.	12			472,224	472,224				0	472,224
		Totals	50,908,037	9,514,532	9,514,532				1,468,682	58,953,887

	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						4	0	0	466,552	11,197,250
2.	1b			231,963	115,982		6	0	0	193,948	2,922,535
3.	2						6	0	0	339,519	5,319,136
4.	8			196,300	98,150		20	0	0	311,639	1,148,404
5.	10		6,825	314,087	157,044		30	0	0	514,517	1,043,496
6.	10.1	Supervisor Truck					30	N/A	N/A	3,915	9,136
7.	10.1						30	N/A	N/A	5,594	13,051
8.	14.1						5	0	0	55,239	728,096
9.	17						8	0	0	1,346	15,484
10.	45						45	0	0	29	36
11.	46						30	0	0	3,430	8,004
12.	47		68,212	5,528,121	2,764,061		8	0	0	2,699,356	28,278,534
13.	50			1,097,589	548,795		55	0	0	1,184,151	420,055
14.	95		1,393,645	137,766	68,883		0	0	0		1,531,411
15.	10.1	2021 Ford F-150		33,900	16,950		30	N/A	N/A	15,255	18,645
16.	10.1	2021 Ford Super Duty		33,900	16,950		30	N/A	N/A	15,255	18,645
17.	12			472,224			100	0	0	472,224	
		Totals	1,468,682	8,045,850	3,786,815					6,281,969	52,671,918

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.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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.	Bluewater Power Corporation		89247 0410 RC0001	1					
2.	Bluewater Power Renewable Energy		85839 3556 RC0002	3					
3.	Bluewater Power Services Corporat		89255 8214 RC0001	3					
4.	Bluewater Regional Networks Inc.		78504 1328 RC0001	3					
5.	Electek Power Services Inc.		86220 1712 RC0002	3					
6.	Sarnia Power Corporation		89252 3812 RC0001	3					
7.	Unconquered Sun Solar Technologi		80482 8853 RC0002	3					

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

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

T2 SCH 9 (11)

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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	Bluewater Power Distribution Corporation	86572 7390 RC0001	1	500,000	100.0000	500,000
2	Bluewater Power Corporation	89247 0410 RC0001	1	500,000		
3	Bluewater Power Renewable Energy Inc	85839 3556 RC0002	1	500,000		
4	Bluewater Power Services Corporation	89255 8214 RC0001	1	500,000		
5	Bluewater Regional Networks Inc.	78504 1328 RC0001	1	500,000		
6	Electek Power Services Inc.	86220 1712 RC0002	1	500,000		
7	Sarnia Power Corporation	89252 3812 RC0001	1	500,000		
8	Unconquered Sun Solar Technologies Inc.	80482 8853 RC0002	1	500,000		
				Total	100.0000	500,000 A

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

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

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

Special rules for business limit

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

T2 SCH 23 E (19)

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**
    - the **Ontario Innovation Tax Credit**
- Unless otherwise stated, all legislative references are to the federal Income Tax Act and Income Tax Regulations.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that currently earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you made the investment.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Parts 22 to 26)
    - Expenditures related to child care spaces incurred after March 21, 2017, no longer qualify for the ITC. However, if you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 remain eligible for the credit.
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, T2 Corporation – Income Tax Guide and read Information Circular IC78-4, Investment Tax Credit Rates, and its related Special Release.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired.
- An ITC deducted in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures.
- Expenditures for apprenticeship or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners.
  For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms).
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).

Detailed information (continued)

- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012, unless transitional measures were granted*. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15% rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007, and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** Yes ☐ No ☒

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if both of the following conditions are met:

- one corporation is associated with another corporation only because one or more persons own shares of the capital stock of both corporations
- one of the corporations has at least one shareholder who is not common to both corporations

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority

c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** Yes ☐ No ☒

If **yes**, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . ________ x 80 % = **103** ________
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property and qualified resource property	A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year B1

Credit deemed as a remittance of co-op corporations **210**

Credit expired **215**

Subtotal (line 210 **plus** line 215) ▶ C1

ITC at the beginning of the tax year (amount B1 **minus** amount C1) **220**

Credit transferred on an amalgamation or the wind-up of a subsidiary **230**

ITC from repayment of assistance **235**

Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) . . . . x 10 % = **240**

Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) . . . . . x 5 % = **242**

Credit allocated from a partnership **250**

Subtotal (total of lines 230 to 250) ▶ D1

Total credit available (line 220 **plus** amount D1) E1

Credit deducted from Part I tax **260**

Credit carried back to previous years (amount H1 in Part 6) . . . . a

Credit transferred to offset Part VII tax liability **280**

Subtotal (total of line 260, amount a, and line 280) ▶ F1

Credit balance before refund (amount E1 **minus** amount F1) G1

Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7) **310**

ITC closing balance of investments from qualified property and qualified resource property
(amount G1 **minus** line 310) **320**

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	**901**	
2nd previous tax year				Credit to be applied	**902**	
3rd previous tax year				Credit to be applied	**903**	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5) I1

Credit balance before refund (from amount G1 in Part 5) J1

Refund (40 % of amount I1 or J1, whichever is less) K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 559 on Form T661) . . . .

Contributions to agricultural organizations for SR&ED . . . .

Deduct:

Government assistance, non-government assistance, or contract payment . . . .

Subtotal

x 80 %

Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)* . . . . ▶ +

Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)* . . . . ▶ **350**

Repayments made in the year (from line 560 on Form T661) **370**

Total qualified SR&ED expenditures (line 350 **plus** line 370) **380**

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if both of the following apply:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation
- one of the corporations has at least one shareholder who is not common to both corporations

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . . **385** Yes ☐ No ☒

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) **390** 2,916,868

Enter your taxable capital employed in Canada for the previous tax year 90,333,412
minus $10 million. If this amount is nil or negative, enter "0".
If this amount is over $40 million, enter $40 million **398** 40,000,000

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation $ **8,000,000**

Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more 2,916,868 x 10 = 29,168,680 A2

Excess ($8,000,000 **minus** amount A2; if negative, enter "0") B2

$ 40,000,000 **minus** line 398 in Part 9 . . . . b

Amount b **divided** by $ 40,000,000 . . . . C2

For tax years ending before March 19, 2019
Amount B2 **multiplied** by amount C2 D2

For tax years ending after March 18, 2019
3,000,000 **multiplied** by amount C2 E2

Expenditure limit for the stand-alone corporation (amount D2 or amount E2, whichever applies)* F2

For an associated corporation:
If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* **400** G2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:

Amount F2 or G2 x $\frac{\text{Number of days in the tax year}}{365}$ 365 = ... H2

Your SR&ED expenditure limit for the year (enter amount F2, G2, or H2, whichever applies) **410**

* Amount F2 or G2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* . . . . **420** ____ x 35 % = ____ I2

Line 350 **minus** line 410 (if negative, enter "0") . . . . **430** ____ x 15 % = ____ J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . . ____

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC** . . . . **460** ____ x 35 % = ____ c

Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015 . . . **480** ____ x 20 % = ____ d

Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014 . . . . . **490** ____ x 15 % = ____ e

Subtotal (total of amounts c to e) ____ ▶ ____ K2

Current-year SR&ED ITC (total of amounts I2 to K2; enter on line 540 in Part 12) . . . . ____ L2

* For corporations that are not CCPCs, enter "0" for amount I2.

** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **Additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year . . . . ____ M2

Credit deemed as a remittance of co-op corporations . . . . **510** ____

Credit expired . . . . **515** ____

Subtotal (line 510 **plus** line 515) ____ ▶ ____ N2

ITC at the beginning of the tax year (amount M2 **minus** amount N2) . . . . **520** ____

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . **530** ____

Total current-year credit (from amount L2 in Part 11) . . . . **540** ____

Credit allocated from a partnership . . . . **550** ____

Subtotal (total of lines 530 to 550) ____ ▶ ____ O2

Total credit available (line 520 **plus** amount O2) . . . . ____ P2

Credit deducted from Part I tax . . . . **560** ____

Credit carried back to previous years (amount S2 in Part 13) . . . . ____ f

Credit transferred to offset Part VII tax liability . . . . **580** ____

Subtotal (total of line 560, amount f, and line 580) ____ ▶ ____ Q2

Credit balance before refund (amount P2 **minus** amount Q2) . . . . ____ R2

Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies) . . . . **610** ____

ITC closing balance on SR&ED (amount R2 **minus** line 610) . . . . **620** ____

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year Month Day			
1st previous tax year		Credit to be applied	**911**	
2nd previous tax year		Credit to be applied	**912**	
3rd previous tax year		Credit to be applied	**913**	

Total of lines 911 to 913 S2
Enter at amount f in Part 12.

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? **650** Yes ☐ No ☒

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) g

Refundable credits (amount g or amount R2 in Part 12, whichever is less)* T2

Amount T2 or amount I2 in Part 11, whichever is less U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") V2

Amount V2 **multiplied** by 40 % W2

Amount U2 X2

Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) Y2
Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12) Z2

Refund of ITC (amount Z2 or amount I2 in Part 11, whichever is less) AA2
Enter amount AA2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal Enter at amount C3 in Part 17. A3

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F) Enter at amount D3 in Part 17. B3

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ____________
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16		C3
Recaptured ITC from calculation 2, amount B3 in Part 16		D3
Recaptured ITC from calculation 3, line 760 in Part 16		E3
Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) Enter at amount A8 in Part 27.		F3

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year				A4
Credit deemed as a remittance of co-op corporations	**841**			
Credit expired	**845**			
Subtotal (line 841 **plus** line 845)			►	B4
ITC at the beginning of the tax year (amount A4 **minus** amount B4)		**850**		
Credit transferred on an amalgamation or the wind-up of a subsidiary		**860**		
Total credit available (line 850 **plus** line 860)				C4
Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year		**885**		
ITC closing balance from pre-production mining expenditures (amount C4 **minus** line 885)		**890**		

Apprenticeship Job Creation

Part 19 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** Yes ☒ No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

	A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**	
1.	SYS179932	Powerline Technician	18,904	1,890	1,890	
2.	SYS179937	Powerline Technician	18,993	1,899	1,899	
				Total current-year credit (total of column E) Enter on line 640 in Part 20.	3,789	A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year					B5
Credit deemed as a remittance of co-op corporations	612				
Credit expired after 20 tax years	615				
Subtotal (line 612 **plus** line 615)			▶		C5
ITC at the beginning of the tax year (amount B5 **minus** amount C5)			625		
Credit transferred on an amalgamation or the wind-up of a subsidiary	630				
ITC from repayment of assistance	635				
Total current-year credit (amount A5 in Part 19)	640	3,789			
Credit allocated from a partnership	655				
Subtotal (total of lines 630 to 655)		3,789	▶	3,789	D5
Total credit available (line 625 **plus** amount D5)				3,789	E5
Credit deducted from Part I tax	660	3,789			
Credit carried back to previous years (amount G5 in Part 21)			h		
Subtotal (line 660 **plus** amount h)		3,789	▶	3,789	F5
ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5)			690		

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

	Year Month Day				
1st previous tax year		Credit to be applied	931		
2nd previous tax year		Credit to be applied	932		
3rd previous tax year		Credit to be applied	933		
		Total of lines 931 to 933 Enter at amount h in Part 20.			G5

Child Care Spaces

Part 22 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007, and before March 22, 2017,* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property)
- the specified child care start-up expenditures

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number **665**	Description of investment **675**	Date available for use **685**	Amount of investment **695**
1.				

Total cost of depreciable property from the current tax year (total of column 695)	**715**		
Specified child care start-up expenditures from the current tax year	**705**		
Total gross eligible expenditures for child care spaces (line 715 **plus** line 705)			A6
Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6	**725**		
Excess (amount A6 **minus** line 725) (if negative, enter "0")			B6
Repayments by the corporation of government and non-government assistance	**735**		
Total eligible expenditures for child care spaces (amount B6 **plus** line 735)	**745**		

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 23 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 22)			x	25 %	=	C6
Number of child care spaces created in the year	**755**		x	$ 10,000	=	D6
ITC from child care spaces expenditures (amount C6 or D6, whichever is less)						E6

Part 24 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			►	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 23)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			►	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 25)			i	
Subtotal (line 785 **plus** amount i)			►	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 25 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2020-12-31	Credit to be applied	941	
2nd previous tax year	2019-12-31	Credit to be applied	942	
3rd previous tax year	2018-12-31	Credit to be applied	943	
		Total of lines 941 to 943 Enter at amount i in Part 24.		K6

Recapture – Child Care Spaces

Part 26 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be added to the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - converted to another use

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))	**792**	

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC	**795**	
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	**797**	

Amount from line 795 or line 797, whichever is less		A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 24. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC	**799**		
Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799)			B7

Enter at amount B8 in Part 27.

Summary of Investment Tax Credits

Part 27 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17)		A8
Recaptured child care spaces ITC (amount B7 in Part 26)		B8
Total recapture of investment tax credit (amount A8 **plus** amount B8)		C8

Enter on line 602 of the T2 return.

Part 28 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		D8
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)		E8
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)		F8
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)	3,789	G8
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 24)		H8
Total ITC deducted from Part I tax (total of amounts D8 to H8)	3,789	I8

Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
3,789	3,789			

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2020-12-31				
2019-12-31				
2018-12-31				
2017-12-31				
2016-12-31				
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				*
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				
2002-12-31				
2001-12-31				*
Total				

B+C+D+G **Total ITC utilized** 3,789

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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	18,022,105		
Retained earnings	104	25,878,021		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	50,978,488		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	138,396		
Any dividends declared but not paid by the corporation before the end of the year	110	1,241,722		
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)		96,258,732 ▶	96,258,732	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)			96,258,732	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		96,258,732	

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	449,564
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	449,564

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)		96,258,732	C
Deduct: Investment allowance for the year (line 490)		449,564	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	95,809,168	

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) 95,809,168 x Taxable income earned in Canada **610** 2,567,194 / Taxable income 2,567,194 = **Taxable capital employed in Canada** **690** 95,809,168

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

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

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

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

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

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

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title LCT - Loans and advances

Description	Operator (Note)	Amount	
Due to related parties		7,250,092	00
LT debt - current portion	+	1,000,000	00
Deposits - current	+	3,976,256	00
LT debt	+	23,710,940	00
Post-employment benefits	+	13,156,064	00
Customer deposits	+	1,885,136	00
	Total	50,978,488	00

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

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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	Bluewater Power Corporation	892470410RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3 . . . .

Taxable dividends paid in the tax year **included** in Schedule 3 1,353,801

Total taxable dividends paid in the tax year **100** 1,353,801

Total eligible dividends paid in the tax year **150**

GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0") **160** 29,252,331

Excessive eligible dividend designation (line 150 **minus** line 160) . . . . A

Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * **180**

Subtotal (amount A **minus** line 180) B

Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B **multiplied** by 20 %) **190**

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3 . . . .

Taxable dividends paid in the tax year **included** in Schedule 3 . . . .

Total taxable dividends paid in the tax year **200**

Total excessive eligible dividend designations in the tax year (amount A of Schedule 54) C

Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends * **280**

Subtotal (amount C **minus** line 280) D

Part III.1 tax on excessive eligible dividend designations – Other corporations (amount D **multiplied** by 20 %) . **290**

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

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Schedule 500

Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

Part 1 – Ontario basic income tax

Ontario taxable income Note 1	2,567,194	1A
Ontario basic rate of tax for the year	**11.5** %	1B
Ontario basic income tax (amount 1A **multiplied** by amount 1B) Note 2	295,227	1C

Note 1 If your corporation had a permanent establishment only in Ontario, enter the amount from line 360, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2 If your corporation had a permanent establishment in more than one jurisdiction or is claiming an Ontario tax credit in addition to Ontario basic income tax, or Ontario corporate minimum tax or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return 2,582,894 2A

Line 405 of the T2 return 2,567,194 2B

Line 410 of the T2 return 500,000 2C

Line 415 of the T2 return 219,861 2D

Amount 2C 500,000 x Amount 2D 219,861 / 11,250 = 9,771,600 2E

Line 515 of the T2 return 2F

Subtotal (amount 2C **minus** amount 2E **minus** amount 2F) ▶ 2G

Amount 2A, 2B or 2G whichever is the least . . . . . ▶ 2H

Ontario domestic factor (ODF): Taxable income for Ontario Note 3 / Taxable income for all provinces Note 4 = 2,567,194.00 / 2,567,194 = ... 1.00000 2I

Amount 2H **multiplied** by amount 2I 2J

Ontario taxable income (amount 1A) 2,567,194 2K

Ontario small business income (amount 2J or 2K, whichever is less) . . . . . ▶ 2L

Ontario small business deduction for the year

Amount 2L ______ x Number of days in the tax year before January 1, 2020 / Number of days in the tax year 365 x 8 % = ______ 2M

Amount 2L ______ x Number of days in the tax year after December 31, 2019 365 / Number of days in the tax year 365 x 8.3 % = ______ 2N

Ontario small business deduction for the year (amount 2M **plus** amount 2N) . . . . . ▶ 2O

Enter amount 2O on line 402 of Schedule 5.

Note 3 Enter amount 1A.

Note 4 Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.

Part 3 – Ontario adjusted small business income

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

Ontario adjusted small business income (amount 1A or 2H, whichever is the least) . . . . ______ 3A

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

Part 4 – Credit union tax reduction

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 3C of Schedule 17 . . . . ______ 4A

Ontario adjusted small business income (amount 3A) . . . . ______ 4B

Subtotal (amount 4A **minus** amount 4B, if negative, enter "0") ______ ▶ ______ 4C

Amount 4C ______ x (Number of days in the tax year before January 1, 2020 ______ / Number of days in the tax year 365) x 8 % = ______ 4D

Amount 4C ______ x (Number of days in the tax year after December 31, 2019 365 / Number of days in the tax year 365) x 8.3 % = ______ 4E

Total (amount 4D **plus** amount 4E) ______ ▶ ______ 4F

Ontario domestic factor (amount 2I) 1.00000 4G

Ontario credit union tax reduction (amount 4F **multiplied** by amount 4G) . . . . ______ 4H

Enter amount 4H on line 410 of Schedule 5.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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**	115,197,687
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**	78,939,012
Total assets (total of lines 112 to 116)		194,136,699
Total revenue of the corporation for the tax year **	**142**	121,156,435
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**	21,183,476
Total revenue (total of lines 142 to 146)		142,339,911

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	4,732,340	
Add (to the extent reflected in income/loss):					
Provision for current income taxes/cost of current income taxes	220	683,000			
Provision for deferred income taxes (debits)/cost of future income taxes	222				
Equity losses from corporations	224				
Financial statement loss from partnerships and joint ventures	226				
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230				
Other additions (see note below):					
Share of adjusted net income of partnerships and joint ventures **	228				
Total patronage dividends received, not already included in net income/loss	232				
281	282				
283	284				
Subtotal		683,000 ►		683,000	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	5,415,340	

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**	5,415,340		
Deduct:					
CMT loss available (amount R from Part 7)					
Minus: Adjustment for an acquisition of control *	**518**				
Adjusted CMT loss available		▶		C	
Net income subject to CMT calculation (if negative, enter "0")		**520**	5,415,340		

Amount from line 520 5,415,340 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 5,415,340 x Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365 x 2.7 % = 146,214 2

Subtotal (amount 1 **plus** amount 2) 146,214 3

Gross CMT: amount on line 3 above x OAF **	**540**	146,214	
Deduct:			
Foreign tax credit for CMT purposes ***	**550**		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		146,214	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)		295,227	
Net CMT payable (if negative, enter "0")			E

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

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

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

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

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

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

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

Ontario allocation factor 1.00000 F

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

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

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year * G

Deduct:

CMT credit expired * **600**

CMT credit carryforward at the beginning of the current tax year * (see note below) ▶ **620**

Add:

CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below) **650**

CMT credit available for the tax year (amount on line 620 **plus** amount on line 650) H

Deduct:

CMT credit deducted in the current tax year (amount P from Part 5) I

Subtotal (amount H **minus** amount I) J

Add:

Net CMT payable (amount E from Part 3)

SAT payable (amount O from Part 6 of Schedule 512)

Subtotal ▶ K

CMT credit carryforward at the end of the tax year (amount J **plus** amount K) **670** L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4) M

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 295,227 1

For a corporation that is not a life insurance corporation:

CMT after foreign tax credit deduction (amount D from Part 3) 146,214 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: 146,214 6

Subtotal (if negative, enter "0") 149,013 ▶ 149,013 N

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 295,227

Deduct:

Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5) 7,607

Subtotal (if negative, enter "0") 287,620 ▶ 287,620 O

CMT credit deducted in the current tax year (least of amounts M, N, and O) P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 2 No ☒

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

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

Complete this part if:

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

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

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

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

Part 7 – Calculation of CMT loss carryforward

CMT loss carryforward at the end of the previous tax year * . . . . ____________ Q

Deduct:

CMT loss expired * . . . . **700** ____________

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . ____________ ▶ **720** ____________

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . **750** ____________

CMT loss available (line 720 **plus** line 750) . . . . ____________ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . ____________

Subtotal (if negative, enter "0") ____________ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . **760** ____________

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . **770** ____________ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

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

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

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

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

Complete this part if:

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

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

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

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

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

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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
Bluewater Power Distribution Corporation	86572 7390 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	Bluewater Power Corporation	89247 0410 RC0001	[redacted]	[redacted]
2	Bluewater Power Renewable Energy Inc	85839 3556 RC0002	[redacted]	[redacted]
3	Bluewater Power Services Corporation	89255 8214 RC0001	[redacted]	[redacted]
4	Bluewater Regional Networks Inc.	78504 1328 RC0001	[redacted]	[redacted]
5	Electek Power Services Inc.	86220 1712 RC0002	[redacted]	[redacted]
6	Sarnia Power Corporation	89252 3812 RC0001	[redacted]	[redacted]
7	Unconquered Sun Solar Technologies Inc.	80482 8853 RC0002	[redacted]	[redacted]
		Total	450 [redacted]	550 [redacted]

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

* **Rules for total assets**

- Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
- Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

** **Rules for total revenue**

- Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
- If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
- If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
- Include the associated corporation's share of the total revenue of partnerships and joint ventures.
- If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

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SCHEDULE 550

ONTARIO CO-OPERATIVE EDUCATION TAX CREDIT

Name of corporation	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- Use this schedule to claim an Ontario co-operative education tax credit (CETC) under section 88 of the *Taxation Act, 2007* (Ontario).
- The CETC is a refundable tax credit that is equal to an eligible percentage (10% to 30%) of the eligible expenditures incurred by a corporation for a qualifying work placement. The maximum credit amount is $1,000 for each qualifying work placement ending before March 27, 2009, and $3,000 for each qualifying work placement beginning after March 26, 2009. For a qualifying work placement that straddles March 26, 2009, the maximum credit amount is prorated.
- Eligible expenditures are salaries and wages (including taxable benefits) paid or payable to a student in a qualifying work placement, or fees paid or payable to an employment agency for services performed by the student in a qualifying work placement. These expenditures must be paid on account of employment or services, as applicable, at a permanent establishment of the corporation in Ontario. Expenditures for a work placement (WP) are not eligible expenditures if they are greater than the amounts that would be paid to an arm's length employee.
- A WP must meet all of the following conditions to be a qualifying work placement:
  - the student performs employment duties for a corporation under a qualifying co-operative education program (QCEP);
  - the WP has been developed or approved by an eligible educational institution as a suitable learning situation;
  - the terms of the WP require the student to engage in productive work;
  - the WP is for a period of at least 10 consecutive weeks or, in the case of an internship program, not less than 8 consecutive months and not more than 16 consecutive months;
  - the student is paid for the work performed in the WP;
  - the corporation is required to supervise and evaluate the job performance of the student in the WP;
  - the institution monitors the student's performance in the WP; and
  - the institution has certified the WP as a qualifying work placement.
- Make sure you keep a copy of the letter of certification from the Ontario eligible educational institution containing the name of the student, the employer, the institution, the term of the WP, and the name/discipline of the QCEP to support the claim. Do not submit the letter of certification with the *T2 Corporation Income Tax Return*.
- File this schedule with the *T2 Corporation Income Tax Return*.

Part 1 – Corporate information

110 Name of person to contact for more information	120 Telephone number including area code
Janice McMichael	(519) 337-8201

Is the claim filed for a CETC earned through a partnership?* . . . . . **150** 1 Yes ☐ 2 No ☒

If you answered **yes** to the question at line 150, what is the name of the partnership? . . . . . **160** ______

Enter the percentage of the partnership's CETC allocated to the corporation . . . . . **170** ______ %

* When a corporate member of a partnership is claiming an amount for eligible expenditures incurred by a partnership, complete a Schedule 550 for the partnership as if the partnership were a corporation. Each corporate partner, other than a limited partner, should file a separate Schedule 550 to claim the partner's share of the partnership's CETC. The allocated amounts can not exceed the amount of the partnership's CETC.

Part 2 – Eligibility

1. Did the corporation have a permanent establishment in Ontario in the tax year? . . . . . **200** 1 Yes ☒ 2 No ☐
2. Was the corporation exempt from tax under Part III of the *Taxation Act*, 2007 (Ontario)? . . . . . **210** 1 Yes ☐ 2 No ☒

If you answered **no** to question 1 or **yes** to question 2, then the corporation is **not eligible** for the CETC.

Part 3 – Eligible percentage for determining the eligible amount

Corporation's salaries and wages paid in the previous tax year * **300** 9,579,079

For eligible expenditures incurred before March 27, 2009:

- If line 300 is $400,000 or less, enter 15% on line 310.
- If line 300 is $600,000 or more, enter 10% on line 310.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 310 using the following formula:

$$\text{Eligible percentage} \quad = \quad 15\ \% \ - \left[\ 5\ \% \ \text{x} \ \frac{(\text{amount on line 300} \ \textbf{minus} \ \$ \ 400{,}000)}{\$ \ 200{,}000} \right]$$

Eligible percentage for determining the eligible amount . . . . **310** 10.000 %

For eligible expenditures incurred after March 26, 2009:

- If line 300 is $400,000 or less, enter 30% on line 312.
- If line 300 is $600,000 or more, enter 25% on line 312.
- If line 300 is more than $400,000 and less than $600,000, enter the percentage on line 312 using the following formula:

$$\text{Eligible percentage} \quad = \quad 30\ \% \ - \left[\ 5\ \% \ \text{x} \ \frac{(\text{amount on line 300} \ \textbf{minus} \ \$ \ 400{,}000)}{\$ \ 200{,}000} \right]$$

Eligible percentage for determining the eligible amount . . . . **312** 25.000 %

* If this is the first tax year of an amalgamated corporation and subsection 88(9) of the *Taxation Act, 2007* (Ontario) applies, enter the salaries and wages paid in the previous tax year by the predecessor corporations.

Part 4 – Calculation of the Ontario co-operative education tax credit

Complete a separate entry for each student for each qualifying work placement that ended in the corporation's tax year. If a qualifying work placement would otherwise exceed four consecutive months, divide the WP into periods of four consecutive months and enter each full period of four consecutive months as a separate WP. If the WP does not divide equally into four-month periods and if the period that is less than 4 months is 10 or more consecutive weeks, then enter that period as a separate WP. If that period is less than 10 consecutive weeks, then include it with the WP for the last period of 4 consecutive months. Consecutive WPs with two or more associated corporations are deemed to be with only one corporation, as designated by the corporations.

	A Name of university, college, or other eligible educational institution **400**	**B** Name of qualifying co-operative education program **405**
1.	Conestoga College	Powerline Technician
2.	Conestoga College	Powerline Technician
3.	Cambrian College	Powerline Technician
4.		

	C Name of student **410**	**D** Start date of WP (see note 1 below) **430**	**E** End date of WP (see note 2 below) **435**
1.	[redacted]	2021-06-07	2021-09-03
2.	[redacted]	2021-02-22	2021-05-07
3.	[redacted]	2021-06-07	2021-09-03
4.			

Note 1: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the start date for the separate WP.

Note 2: When the WP has been divided into separate periods because it exceeds four consecutive months, enter the end date for the separate WP.

Part 4 – Calculation of the Ontario co-operative education tax credit (continued)

	F1 Eligible expenditures before March 27, 2009 (see note 1 below) 450	Eligible percentage before March 27, 2009 (from line 310 in Part 3)	F2 Eligible expenditures after March 26, 2009 (see note 1 below) 452	Eligible percentage after March 26, 2009 (from line 310a in Part 3)	X Number of consecutive weeks of the WP completed by the student before March 27, 2009 (see note 3 below)	Y Total number of consecutive weeks of the student's WP (see note 3 below)
1.		10.000 %	10,630	25.000 %		13
2.		10.000 %	9,304	25.000 %		11
3.		10.000 %	10,491	25.000 %		13
4.		10.000 %		25.000 %		

	G Eligible amount (eligible expenditures **multiplied** by eligible percentage) (see note 2 below) 460	H Maximum CETC per WP (see note 3 below) 462	I CETC on eligible expenditures (column G or H, whichever is less) 470	J CETC on repayment of government assistance (see note 4 below) 480	K CETC for each WP (column I or column J) 490
1.	2,658	3,000	2,658		2,658
2.	2,326	3,000	2,326		2,326
3.	2,623	3,000	2,623		2,623
4.					

Ontario co-operative education tax credit (total of amounts in column K) **500** 7,607 **L**

or, if the corporation answered **yes** at line 150 in Part 1, determine the partner's share of amount L:

Amount L ____________ x percentage on line 170 in Part 1 ______ % = ... ____________ **M**

Enter amount L or M, whichever applies, on line 452 of Schedule 5, *Tax Calculation Supplementary – Corporations*. If you are filing more than one Schedule 550, add the amounts from line L or M, whichever applies, on all the schedules and enter the total amount on line 452 of Schedule 5.

Note 1: Reduce eligible expenditures by all government assistance, as defined under subsection 88(21) of the *Taxation Act, 2007* (Ontario), that the corporation has received, is entitled to receive, or may reasonably expect to receive, for the eligible expenditures, on or before the filing due date of the *T2 Corporation Income Tax Return* for the tax year.

Note 2: Calculate the eligible amount (Column G) using the following formula:

Column G = (column F1 x percentage on line 310) + (column F2 x percentage on line 312)

Note 3: If the WP ends before March 27, 2009, the maximum credit amount for the WP is $1,000.
If the WP begins after March 26, 2009, the maximum credit amount for the WP is $3,000.
If the WP begins before March 27, 2009, and ends after March 26, 2009, calculate the maximum credit amount using the following formula:

($1,000 x X/Y) + [$3,000 x (Y – X)/Y]

where "X" is the number of consecutive weeks of the WP completed by the student before March 27, 2009,
and "Y" is the total number of consecutive weeks of the student's WP.

Note 4: When claiming a CETC for repayment of government assistance, complete a **separate entry** for each repayment and complete columns A to E and J and K with the details for the previous year WP in which the government assistance was received.
Include the amount of government assistance repaid in the tax year multiplied by the eligible percentage for the tax year in which the government assistance was received, to the extent that the government assistance reduced the CETC in that tax year.

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2022-12-31

Business number 86572 7390 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

You can pay using one of the methods listed at **canada.ca/payments**. However, when a remittance must mandatorily be made using electronic means, use one of the following electronic payment methods:

- a Canadian financial institution's services;
- the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- a pre-authorized debit agreement set up in the CRA's *My Business Account* service, at **canada.ca/my-cra-business-account**;
- a wire transfer.

Do you want to calculate the tax instalments according to the extended payment date (COVID-19)?* ☐ Yes ☒ No

* The answer to this question is **Yes** when at least one of the dates entered in the **Monthly instalment workchart** or the **Quarterly instalment workchart** sections is after March 17, 2020, and before September 30, 2020.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2022-01-31			67,915	-67,915	
2022-02-28			67,915	-135,830	
2022-03-31				-135,830	
2022-04-30				-135,830	
2022-05-31				-135,830	
2022-06-30				-135,830	
2022-07-31				-135,830	
2022-08-31				-135,830	
2022-09-30				-135,830	
2022-10-31				-135,830	
2022-11-30				-135,830	
2022-12-31				-135,830	
2023-01-31					
2023-02-28					
Instalment (COVID-19)					
Totals			135,830		-135,830

Canada Revenue Agency Agence du revenu du Canada

Information Return for Corporations Filing Electronically

- **Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.**
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the CRA on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the federal Income Tax Act, you have to keep all records used to prepare your T2 Corporation Income Tax Return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your T2 Corporation Income Tax Return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name: Bluewater Power Distribution Corporation

Business number: 86572 7390 RC0001

Tax year start (Year Month Day): 2021-01-01

Tax year-end (Year Month Day): 2021-12-31

Is this an amended return? ☐ Yes ☒ No

Get your CRA mail electronically delivered in My Business Account at canada.ca/my-cra-business-account (optional)

Email address: ____________________

I understand that by providing an email address, I am **registering** the corporation to receive email notifications from the CRA. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent. For more information, see **canada.ca/cra-business-email-notifications**.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted above:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	2,582,894
Part I tax payable (line 700)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Part 3 – Certification and authorization

I, McMichael (Last name) Janice (First name) President & CEO (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation Income Tax Return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the T2 Corporation Income Tax Return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

2022-06-08		(519) 337-8201
Date (yyyy/mm/dd)	Signature of an authorized signing officer of the corporation	Telephone number

The CRA will accept an electronic signature if it is applied in accordance with the guidance specified by the CRA.

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

KPMG LLP	A4970
Name of person or firm	Electronic filer number

Privacy notice

Personal information is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at **canada.ca/cra-info-source**.

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

EXEMPT FROM TAX

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** 86572 7390 RC0001

Corporation's name
002 Bluewater Power Distribution Corporation

Address of head office
Has this address changed since the last time we were notified? . . . . **010** Yes ☐ No ☒
If **yes**, complete lines 011 to 018.
011 855 Confederation Street
012 PO Box 2140
City **015** Sarnia
Province, territory, or state **016** ON
Country (other than Canada) **017**
Postal or ZIP code **018** N7T 7L6

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? . . . . **020** Yes ☐ No ☒
If **yes**, complete lines 021 to 028.
021 c/o
022
023
City **025**
Province, territory, or state **026**
Country (other than Canada) **027**
Postal or ZIP code **028**

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? . . . . **030** Yes ☐ No ☒
If **yes**, complete lines 031 to 038.
031 855 Confederation Street
032 PO Box 2140
City **035** Sarnia
Province, territory, or state **036** ON
Country (other than Canada) **037**
Postal or ZIP code **038** N7T 7L6

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

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

To which tax year does this return apply?
Tax year start (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 ☒
If **yes**, provide the date control was acquired . . . . **065** Year Month Day

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

Is the corporation a professional corporation that is a member of a partnership? . . . . **067** Yes ☐ No ☒

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

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

Is this the final tax year before amalgamation? . . . . **076** Yes ☐ No ☒

Is this the final return up to dissolution? . . . . **078** Yes ☐ No ☒

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

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

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

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085
☐ 1 Exempt under paragraph 149(1)(e) or (l)
☐ 2 Exempt under paragraph 149(1)(j)
☒ 4 Exempt under other paragraphs of section 149

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

Attachments

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

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

		Yes	Schedule
Is the corporation related to any other corporations?	**150**	☒	9
Is the corporation an associated CCPC?	**160**	☒	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	**161**	☐	49
Does the corporation have any non-resident shareholders who own voting shares?	**151**	☐	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	**162**	☐	11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	**163**	☐	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	**164**	☐	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	**165**	☐	15
Is the corporation claiming a loss or deduction from a tax shelter?	**166**	☐	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	**167**	☐	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	**168**	☐	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	**169**	☐	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	**170**	☐	29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	**171**	☐	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	**173**	☒	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	**172**	☐	
Does the corporation earn income from one or more Internet web pages or websites?	**180**	☐	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	**201**	☒	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	**202**	☒	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	**203**	☒	3
Is the corporation claiming any type of losses?	**204**	☐	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	**205**	☐	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	**206**	☐	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	**207**	☐	7
Does the corporation have any property that is eligible for capital cost allowance?	**208**	☒	8
Does the corporation have any resource-related deductions?	**212**	☐	12
Is the corporation claiming deductible reserves?	**213**	☐	13
Is the corporation claiming a patronage dividend deduction?	**216**	☐	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	**217**	☐	17
Is the corporation an investment corporation or a mutual fund corporation?	**218**	☐	18
Is the corporation carrying on business in Canada as a non-resident corporation?	**220**	☐	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	**221**	☐	21
Does the corporation have any Canadian manufacturing and processing profits?	**227**	☐	27
Is the corporation claiming an investment tax credit?	**231**	☒	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	**232**	☐	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	**233**	☒	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	**234**	☒	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	**238**	☐	38
Is the corporation claiming a Part I tax credit?	**242**	☐	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	**243**	☐	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	**244**	☐	45
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
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273	☐	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274	☐	59
Is the corporation claiming an air quality improvement tax credit?	275	☐	65

Additional information

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

What is the corporation's main revenue-generating business activity? 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	Energy infrastructure provider	285	100.000 %
286		287	%
288		289	%

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

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

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

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	2,582,894 A
Deduct:				
Charitable donations from Schedule 2	311	15,700		
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		15,700	▶	15,700 B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				2,567,194 C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355	D
Taxable income (amount C **plus** amount D)			360	2,567,194
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** 2,582,894 A

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

Business limit (see notes 1 and 2 below) . . . . **410** 500,000 C

Notes:

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

Business limit reduction

Taxable capital business limit reduction

Amount C 500,000 x **415** *** 219,861 D / 11,250 = ... 9,771,600 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** 10,534 – 50,000 = . . F

Amount C 500,000 / 100,000 x Amount F = ... G

The greater of amount E and amount G **422** 9,771,600 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 . . . . 2,567,194 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) 2,567,194 K x 30 2 / 3 % = 787,273 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)	518,957	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")	518,957	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 to administer or enforce 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 the 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 paying interest or penalties, or in 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	
Return of fuel charge proceeds to farmers tax credit from Schedule 63	795	
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	
Air quality improvement tax credit from Schedule 65	799	
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 below on whichever line applies.
Generally, we do not charge or refund a difference of $2 or less.

Refund code **894** 1 Refund

Balance owing

For information on how to enrol for direct deposit, go to **canada.ca/cra-direct-deposit**.

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

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

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** A4970

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

Certification

I, **950** McMichael (Last name) **951** Janice (First name) **954** President & CEO (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2022-06-08 Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (519) 337-8201 Telephone number

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

958 Name of other authorized person

959 Telephone number

Language of correspondence – Langue de correspondance

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	23,960,965	23,566,032
	Total tangible capital assets	2008	+	98,919,354	91,618,863
	Total accumulated amortization of tangible capital assets	2009	–	19,963,622	17,361,882
	Total intangible capital assets	2178	+	6,643,355	6,696,818
	Total accumulated amortization of intangible capital assets	2179	–	3,091,589	3,139,840
	Total long-term assets	2589	+	8,729,224	7,857,565
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	115,197,687	109,237,556
	Liabilities				
	Total current liabilities	3139	+	26,169,594	21,717,642
	Total long-term liabilities	3450	+	47,507,713	49,490,152
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	73,677,307	71,207,794
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	41,520,380	38,029,762
	Total liabilities and shareholder equity	3640	=	115,197,687	109,237,556
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	25,878,021	23,394,578

* Generic item

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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	+	121,135,666	134,713,296
	Cost of sales	8518	–	95,631,372	108,844,331
	Gross profit/loss	8519	=	25,504,294	25,868,965
	Cost of sales	8518	+	95,631,372	108,844,331
	Total operating expenses	9367	+	21,116,898	20,817,919
	Total expenses (mandatory field)	9368	=	116,748,270	129,662,250
	Total revenue (mandatory field)	8299	+	121,156,435	134,758,654
	Total expenses (mandatory field)	9368	–	116,748,270	129,662,250
	Net non-farming income	9369	=	4,408,165	5,096,404
	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	=	4,408,165	5,096,404
	Total – other comprehensive income	9998	=	1,007,175	-934,276
	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	–	683,000	1,035,000
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+	1,007,175	-934,276
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	4,732,340	3,127,128

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

Canada Revenue Agency | Agence du revenu du Canada

Schedule 141

Notes Checklist

Corporation's name	Business number	Tax Year End Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- Fill out this schedule to identify who prepared or reported on the financial statements, the extent of their involvement and to identify the type of information contained in the notes to the financial statements. If the person preparing the tax return is not the person referred to above, they must still complete Parts 1, 2, 3, 4 and 5, 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 person who prepared or reported on the financial statements

Were financial statements prepared? . . . . . **111** Yes ☒ No ☐

If you answered **no**, go to part 5.

Does the person who prepared or reported on the financial statements have an accounting professional designation? . . . . . **095** Yes ☒ No ☐

Is that person connected* with the corporation? . . . . . **097** Yes ☐ No ☒

Note: If that person does not have an accounting professional designation or is connected with the corporation, go to part 4.

* 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 person referred to in part 1: **198**

Completed an auditor's report . . . . . ☒ 1
Completed a review engagement report . . . . . ☐ 2
Conducted a compilation engagement . . . . . ☐ 3
Other . . . . . ☐ 4

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 person referred to in part 1 expressed a reservation? . . . . . **099** Yes ☐ No ☒

Part 4 – Other information

Were notes to the financial statements prepared? . . . . . **101** Yes ☒ No ☐

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

Are subsequent events mentioned in the notes? . . . . . **104** Yes ☐ No ☒
Is re-evaluation of asset information mentioned in the notes? . . . . . **105** Yes ☐ No ☒
Is contingent liability information mentioned in the notes? . . . . . **106** Yes ☒ No ☐
Is information regarding commitments mentioned in the notes? . . . . . **107** Yes ☒ No ☐

Does the corporation have investments in joint venture(s) or partnership(s)? . . . . . **108** Yes ☐ No ☒

Part 4 – Other information (continued)

Impairment and fair value changes

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

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

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

Financial instruments

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

Did the corporation apply hedge accounting during the tax year? . . . **255** Yes ☐ No ☒

Did the corporation discontinue hedge accounting during the tax year? . . . **260** Yes ☐ No ☒

Adjustments to opening equity

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

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

Part 5 – Information on the person who prepared the information return

If the person that prepared the information return has an accounting professional designation but is not the person associated with the financial statements in part 1 above, choose one of the following options, if applicable: **110**

Financial statements provided by client . . . ☐ 1

Prepared the information return and the financial information contained therein . . . ☐ 2

General Index of Financial Information

Notes to the financial statements

1. Reporting entity

Bluewater Power Distribution Corporation (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the City of Sarnia. The address of the Corporation's registered office is 855 Confederation Street, Sarnia, Ontario.

The Corporation is wholly owned by Bluewater Power Corporation, which in turn is owned by six municipalities which includes The City of Sarnia, The Town of Petrolia, The Village of Point Edward, The Municipality of Brooke-Alvinston, The Township of Warwick and The Village of Oil Springs. The Corporation delivers electricity and related energy services to residential and commercial customers in these municipalities.

The financial statements are for the Corporation as at and for the year ended December 31, 2021.2. Basis of presentation

(a) Statement of compliance

The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Approval of financial statements

The financial statements were approved by the Board of Directors on April 28, 2022.(c) Basis of measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.(d) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.(e) Use of estimates and judgments

(i) Assumptions and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

BLUEWATER POWER DISTRIBUTION CORPORATION

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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2. Basis of presentation (continued)

(e) Use of estimates and judgments (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment is included in the following notes:(i) Note 3(b) - measurement of unbilled revenue

(ii) Notes 8,9 - estimation of useful lives of its property, plant and equipment and intangible assets

(iii) Note 11 - recognition and measurement of regulatory balances

(iv) Note 14 - measurement of defined benefit obligations: key actuarial assumptions

(v) Note 21 - recognition and measurement of provisions and contingencies

(vi) Note 3(b) - determination of the performance obligation for contributions from customersand the related amortization period

(vii) Note 3(m) - leases: whether an arrangement contains a lease

(viii) Note 22 - estimation for impairment of doubtful accounts

(f) Rate regulation

The Corporation is regulated by the Ontario Energy Board ("OEB"), under the authority granted by the Ontario Energy Board Act, 1998. Among other things, the OEB has the power and responsibility to approve or set rates for the

General Index of Financial Information

Notes to the financial statements

transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and ensuring that transmission and distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions of service to local distribution companies ("LDCs"), such as the Corporation, which may include, among other things, record keeping, regulatory accounting principles, separation of accounts for distinct businesses, and filing and process requirements for rate setting purposes.

Rate setting

Distribution revenue

For the distribution revenue included in sale of energy, the Corporation files a "Cost of Service" ("COS") rate application with the OEB when required where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class. The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

In the intervening years an Incentive Rate Mechanism application ("IRM") is filed. An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The previous year's rates are adjusted for the annual change in the Gross Domestic Product Implicit Price Inflator for Final Domestic Demand ("GDP IPI-FDD") net of a productivity factor and a "stretch factor" determined by the relative efficiency of an electricity distributor.

BLUEWATER POWER DISTRIBUTION CORPORATION

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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2. Basis of presentation (continued)

(f) Rate regulation (continued)

As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

The Corporation last filed a COS application in October 2012 for rates effective May 1, 2013 to April 30, 2014. The GDP IPI-FDD for rates effective May 1, 2021 is 2.2% (May 1, 2020 = 2.0%), the Corporation's productivity factor is 0.0% (2020 = 0.0%) and the stretch factor is 0.6% (2020 = 0.3%), resulting in a net adjustment of 1.6% (2020 = 1.7%) to the previous year's rates.Electricity rates

The OEB sets electricity prices for low-volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a mark-up.3. Significant accounting policies

The accounting policies set out below have been applied consistently in all years presented in these financial statements.(a) Financial instruments

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized

General Index of Financial Information

Notes to the financial statements

cost using the effective interest method less any impairment for the financial assets as described in note 3(f). The Corporation does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.(b) Revenue recognition

The Corporation determines revenue recognition through the following steps: a) identification of the contract with a customer, b) identification of the performance obligations in the contract, c) determination of the transaction price, d) allocation of the transaction price to the performance obligations in the contract and e) recognition of revenue when the Corporation satisfies a performance obligation.BLUEWATER POWER DISTRIBUTION CORPORATION

Notes to Financial Statements

Year ended December 31, 2021, with comparative information for 2020

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3. Significant accounting policies (continued)

(b) Revenue recognition (continued)

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus estimated customer usage since the last meter reading date to the end of the year and represents the amount that the Corporation has the right to bill. Revenue includes the cost of electricity supplied, distribution, and any other regulatory charges. The related cost of power is recorded on the basis of power used.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Capital contributions

Developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. The developer is not a customer and therefore the contributions are scoped out of IFRS 15 Revenue from Contracts with Customers. Cash contributions, received from developers are recorded as deferred revenue. When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on a straight-line basis over the useful life of the related asset.

Certain customers are also required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. These contributions fall within the scope of IFRS 15 Revenue from Contracts with Customers. The contributions are received to obtain a connection to the distribution system in order receive ongoing access to electricity. The Corporation has concluded that the performance obligation is the supply of electricity over the life of the relationship with the customer which is satisfied over time as the customer receives and consumes the electricity. Revenue is recognized on a straight-line basis over the useful life of the related asset.Other revenue

Revenue earned from the provision of services is recognized as the service is rendered. Revenue from contracts is recognized in profit or loss as and when the work is done. Otherwise contract revenue is recognized only to the extent

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of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in profit or loss.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.BLUEWATER POWER DISTRIBUTION CORPORATION
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3. Significant accounting policies (continued)
(c) Materials and supplies

Materials and supplies, the majority of which is consumed by the Corporation in the provision of its services, is valued at the lower of cost and net realizable value, with cost being determined on an average cost basis, and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition.(d) Property, plant and equipment

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2014, are measured at deemed cost, less accumulated amortization. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated amortization.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of six months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

Amortization is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not amortized. Construction-in-progress assets are not amortized until the project is complete and the asset is available for use.The estimated useful lives are as follows:
Building - 30 to 60 years
Distribution and transmission systems - 15 to 60 years
Equipment - 5 to 25 years

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3. Significant accounting policies (continued)

(e) Intangible assets

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

Computer software that is acquired or developed by the Corporation, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.

Payments to obtain rights to access land ("land rights") are classified as intangible assets. These include payments made for easements, right of access and right of use over land for which the Corporation does not hold title. Land rights are measured at cost less accumulated amortization.

Payments made to a transmitter for capital contributions towards an upgraded transmission station are classified as intangible assets. These include payments made under a Cost Recovery Agreement for the right of use over the transmission station for which the Corporation does not hold title. Capital contributions are measured at cost less accumulated amortization.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Amortization methods and useful lives of all intangible assets are reviewed at each reporting date and adjusted prospectively if appropriate. The estimated useful lives are:Computer software - 5 years
Land rights - 25 years
Capital contributions - 45 years

(f) Impairment

(i) Financial assets measured at amortized cost

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.(ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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3. Significant accounting policies (continued)

(f) Impairment (continued)

(ii) Non-financial assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of

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assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.(g) Customer deposits

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

(h) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.(i) Regulatory balances

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or Other Comprehensive Income ("OCI"). When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.BLUEWATER POWER DISTRIBUTION CORPORATION

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3. Significant accounting policies (continued)

(i) Regulatory balances (continued)

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are

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recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.(j) Post-employment benefits

(i) Pension plan

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

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss when they are due.

(ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans. The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

BLUEWATER POWER DISTRIBUTION CORPORATION

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3. Significant accounting policies (continued)

(k) Finance income and finance costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash deposits.

Finance costs comprise interest expense on borrowings, interest expense on post-employment benefits and impairment losses on financial assets. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.(l) Income taxes

The income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case, it is recognized in equity.

The Corporation is currently exempt from taxes under the Income Tax Act (Canada) and the Ontario Corporations Tax Act (collectively the "Tax Acts"). Under the Electricity Act, 1998, the Corporation makes payments in lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Tax Acts as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes. Payments in lieu of taxes are referred to as income taxes.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.(m) Leases

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

BLUEWATER POWER DISTRIBUTION CORPORATION

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3. Significant accounting policies (continued)

(m) Leases (continued)

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.4. Standards issued but not yet adopted

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. These standards or amendments relate to the measurement and disclosure of financial assets and liabilities. The extent of the impact on adoption of these standards and amendments has not yet been determined.

i. Classification of Liabilities as Current or Non-current (Amendments to IAS 1)ii. Definition of Accounting Estimates (Amendments to IAS 8)
iii. Disclosure Initiative - Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
iv. Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)v. Annual Improvements to IFRS Standards 2018-2020

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4. Standards issued but not yet adopted (continued)

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of
Financial Statements (the 2020 amendments), to clarify the classification of liabilities as current or non-current. The 2020 amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

The 2020 amendments are subject to future developments. Certain application issues resulting from the 2020 amendments have been raised with the IFRS Interpretations Committee, which referred them to the IASB. In November 2021, the IASB published the exposure draft Non-current Liabilities with Covenants (proposed amendments to IAS 1). The exposure draft aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions, in addition to addressing concerns about the classification of such a liability as current or non-current. The IASB proposed to defer the effective date of the 2020 amendments to no earlier than January 1, 2024.

For the purposes of non-current classification, the 2020 amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The 2020 amendments also clarify how a company classifies a liability that includes a counterparty conversion option.

The amendments state that settlement of a liability includes transferring a company's own equity instruments to the counterparty, and when classifying liabilities as current or non-current, a company can ignore only those conversion options that are recognized as equity.

The Company intends to adopt this standard in its financial statements for the annual period beginning January 1, 2023 or January 1, 2024 should the effective date be deferred. The extent of the impact of adoption of the standard has not yet been determined.

(ii) Definition of Accounting Estimates (Amendments to IAS 8)

On February 12, 2021, the IASB issued Definition of Accounting Estimates (Amendments to IAS 8). The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted.

The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2023. The extent of the impact of adoption of the standard has not yet been determined.

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4. Standards issued but not yet adopted (continued)

(iii) Disclosure Initiative - Accounting Policies (Amendments to IAS1 and IFRS PracticeStatement 2)

On February 12, 2021, the IASB issued Disclosure Initiative - Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). The amendments are effective for annual periods beginning on or after January 1, 2023. Early adoption is permitted. The amendments help companies provide useful accounting policy disclosures. The key amendments include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2023. The Company does not expect these standards to have a material impact on the financial statements.

(iv) Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

On May 14, 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16). The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted.

The amendments provide guidance on the accounting for sale proceeds and the related production costs for items a company produces and sells in the process of making an item of property, plant and equipment available for its intended use. Specifically, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items.

The Company intends to adopt this standard in its financial statements for the annual period beginning January 1, 2022. The extent of the impact of adoption of the standard has not yet been determined.

(v) Annual Improvements to IFRS Standards 2018-2020

On May 14, 2020, the IASB issued Annual Improvements to IFRS Standards 2018-2020. The amendments are effective for annual periods beginning on or after January 1, 2022. Early adoption is permitted. The amendments relate to the following:

- IFRS 9 Financial Instruments: Clarifies which fees are included for the purpose of performing the '10 per cent test' for derecognition of financial liabilities.

- IFRS 16 Leases: Removes the illustration of payments from the lessor relating to leasehold improvements in the Illustrative Example 13.

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4. Standards issued but not yet adopted (continued)
(v) Annual Improvements to IFRS Standards 2018-2020 (continued)

- IAS 41 Agriculture: Removes the requirement to exclude cash flows for taxation when measuring fair value.

The Company intends to adopt these standards in its financial statements for the annual period beginning January 1, 2022. The Company does not expect these standards to have a material impact on the financial statements.

5. Accounts receivable
2021 2020
Trade receivables $ 6,994,306 $ 5,982,189
Water billing receivables 3,003,647 2,244,032
Billable work 1,123,728 924,229
Other receivables 1,051,026 1,732,748
$ 12,172,707 $ 10,883,198

6. Related party transactions
(a) Parent and ultimate controlling party

The sole shareholder of the Corporation is Bluewater Power Corporation, which in turn is owned by six municipalities through their municipal holding companies. The largest, being the City of Sarnia, has a controlling interest with its 86.05% share ownership of Bluewater Power Corporation. The City of Sarnia produces consolidated financial statements that are available for public use. The remaining minority interest is held by the municipalities of Point Edward, Petrolia, Oil Springs, Warwick and Brooke-Alvinston.

(b) Companies under common control

The following companies are also 100% wholly owned by Bluewater Power Corporation:Bluewater Power Services Corporation
Bluewater Power Renewable Energy Inc.
Electek Power Services Inc.
Bluewater Regional Networks Inc.

(c) Outstanding balances with related parties
2021 2020
Due from related parties:
Bluewater Regional Networks Inc. $ 193,874 $ 27,395
Bluewater Power Services Corporation 114,759 216,132
City of Sarnia 109,978 359,666
Electek Power Services Inc. 30,689 39,956
Bluewater Power Renewable Energy Inc. 264 -
Town of Petrolia - 2,060
$ 449,564 $ 645,209

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6. Related party transactions (continued)
(c) Outstanding balances with related parties (continued)
2021 2020
Due to related parties:
Bluewater Power Corporation $ 3,500,000 $ -

City of Sarnia - water billing 3,158,730 2,512,450

Town of Petrolia - water billing 232,246 193,026

Bluewater Power Services Corporation 148,963 69,441

Township of Warwick - water billing 75,351 81,189

Electek Power Services Inc. 67,737 6,760

Village of Point Edward - water billing 67,065 -

Unconquered Sun Solar Technologies Inc. - 105,765

Village of Point Edward - other - 6,789

City of Sarnia - other - 4,510

Bluewater Power Renewable Energy Inc. - 1,427

$ 7,250,092 $ 2,981,357

The balances owing for water billing have arisen as a result of water billing services provided by the Corporation. The balances owing represent billed amounts not yet remitted to these shareholders.

(d) Transactions with parent and municipal shareholders

During the year, the Corporation billed customers for water services on behalf of certain shareholders and remitted funds to the shareholders in the amount of $42,996,595 (2020 - $40,787,938). The Corporation earned $1,069,289 (2020 - $2,000,712) in service fees from certain shareholders.

(e) Transactions with companies under common control

In the ordinary course of business, the Corporation delivers electricity to various properties owned by related parties. Electricity is billed to these entities at prices and under terms approved by the OEB.

During the course of the year, the Corporation paid $1,242,768 (2020 - $1,596,584) in service fees to companies under common control.

During the course of the year, the Corporation earned the following from companies under common control:2021 2020

Management fees $ 333,578 $ 356,579

Service fees 161,027 194,481

Vehicle rent 90,945 112,835

Billing software rent 61,167 59,969

Building rent 22,570 22,128

$ 669,287 $ 745,992

7. Materials and supplies

The amount of materials and supplies consumed and recognized as an expense during 2021 was $991,852 (2020 - $1,210,802).

BLUEWATER POWER DISTRIBUTION CORPORATION

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8. Property, plant and equipment

Land and Distribution Other fixed Construction

buildings equipment assets in-progress Total

Cost or deemed cost

Balance at January 1, 2021 $9,338,501 $69,736,177 $11,845,002 $699,183

$91,618,863Additions 231,963 6,413,837 1,451,511 329,801 8,427,112

Disposals/retirements (128,294) (3,875) (994,452) - (1,126,621)

Balance at December 31, 2021 $9,442,170 $76,146,139 $12,302,061 $1,028,984

$98,919,354

Balance at January 1, 2020 $9,146,108 $63,601,214 $10,425,854 $849,524

$84,022,700Additions 192,393 6,502,101 2,147,851 - 8,842,345

Transfers - (367,138) - (150,341) (517,479)

Disposals/retirements - - (728,703) - (728,703)

Balance at December 31, 2020 $9,338,501 $69,736,177 $11,845,002 $699,183

$91,618,863Accumulated amortization

Balance at January 1, 2021 $1,454,874 $11,374,059 $4,532,949 $ - $17,361,882

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Amortization 224,219 2,241,850 1,262,292 - 3,728,361
Disposals/retirements (128,294) (3,875) (994,452) - (1,126,621)
Balance at December 31, 2021 $1,550,799 $13,612,034 $4,800,789 $ - $19,963,622
Balance at January 1, 2020 $1,239,089 $9,311,744 $4,115,529 $ - $14,666,362
Amortization 215,785 2,062,315 1,078,405 - 3,356,505
Disposals/retirement - - (660,985) - (660,985)
Balance at December 31, 2020 $1,454,874 $11,374,059 $4,532,949 $ - $17,361,882
Carrying amounts
At December 31, 2021 $7,891,371 $62,534,105 $7,501,272 $1,028,984 $78,955,732
At December 31, 2020 7,883,627 58,362,118 7,312,053 699,183 74,256,981
At December 31, 2021 land and buildings with a carrying amount of $7,891,371
(2020 - $7,883,627) are subject to a general security agreement relating to
the Corporation's line of credit (note 22) and long-term debt (note 13).
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9. Intangible assets
Capital contribution to
Computer transmission Land
software station rights Total
Cost or deemed cost
Balance at January 1, 2021 $5,353,665 $1,169,720 $173,433 $6,696,818
Additions 942,642 - - 942,642
Disposals/retirements (996,105) - - (996,105)
Balance at December 31, 2021 $5,300,202 $1,169,720 $173,433 $6,643,355
Balance at January 1, 2020 $5,009,487 $1,190,000 $173,433 $6,372,920
Additions 1,036,529 - - 1,036,529
Disposals/retirements (692,351) (20,280) - (712,631)
Balance at December 31, 2020 $5,353,665 $1,169,720 $173,433 $6,696,818
Accumulated amortization
Balance at January 1, 2021 $3,079,508 51,988 $8,344 $3,139,840
Amortization 920,668 25,994 1,192 947,854
Disposals/retirements (996,105) - - (996,105)
Balance at December 31, 2021 $3,004,071 $77,982 $9,536 $3,091,589
Balance at January 1, 2020 $2,890,483 26,444 $7,152 $2,924,079
Amortization 881,376 25,544 1,192 908,112
Disposals/retirements (692,351) - - (692,351)
Balance at December 31, 2020 $3,079,508 $51,988 $8,344 $3,139,840
Carrying amounts
At December 31, 2021 $2,296,131 $1,091,738 $163,897 $3,551,766
At December 31, 2020 2,274,157 1,117,732 165,089 3,556,978
BLUEWATER POWER DISTRIBUTION CORPORATION
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10. Income tax expense
2021 2020
Current tax expense $ 683,000 $ 771,000
Prior year tax expense - 264,000
$ 683,000 $ 1,035,000
Deferred tax expense:
Change in recognized deductible temporary differences 541,000 362,000
Total current and deferred income tax in profit or loss,
before movement of regulatory balances 1,224,000 1,397,000
Other comprehensive income:

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Post-employment benefits 267,000 (248,000)
Total current and deferred tax, before movement
of regulatory balances 1,491,000 1,149,000
Net movement in regulatory balances (808,000) (114,000)
Income tax expense recognized in Statement of
Comprehensive Income $ 683,000 $ 1,035,000
Reconciliation of effective tax rate
2021 2020
Income before taxes $ 5,415,340 $ 4,162,128
Canada and Ontario statutory Income tax rates 26.5% 26.5%
Expected tax provision on income at statutory rates 1,435,000 1,103,000
Increase (decrease) in income taxes resulting from:
Permanent differences 31,000 33,000
Recognized deductible temporary differences
due to/from customers (808,000) (114,000)
Prior year reassessments - 13,000
Other 25,000 -
Income tax expense $ 683,000 $ 1,035,000
Significant components of the Corporation's deferred tax balances
2021 2020
Deferred tax assets (liabilities):
Property, plant and equipment and intangible assets $ (6,718,000) $
(6,075,000)Post-employment benefits 3,486,000 3,689,000
Other 50,000 12,000
$ (3,182,000) $ (2,374,000)
BLUEWATER POWER DISTRIBUTION CORPORATION
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10. Income tax expense (continued)
Prepaid Income Taxes
During 2020, the Company opted to prepay amounts for specific tax positions
taken for certain reassessed tax years, as well as tax years soon to be
reassessed, by the Ministry of Finance. This was done to mitigate any
interest amounts owing should the company be unsuccessful in its appeal of
earlier decisions made by the Ministry of Finance.11. Regulatory balances
Reconciliation of the carrying amount for each class of regulatory balances
January 1, Recovery/ December 31, Remaining
Regulatory deferral account debit balances 2021 Additions reversal 2021 years
Group 1 deferred accounts $3,028,378 $912,383 $ - $3,940,761 1 to 2
Regulatory settlement account (2,733,007) (673,848) (3,406,855) nil
Other regulatory accounts 3,061,682 3,447 (178,323) 2,886,806 1 to 3
Income tax 2,374,000 808,000 - 3,182,000 -
$5,731,053 $1,049,982 $(178,323) $6,602,712
January 1, Recovery/ December 31, Remaining
Regulatory deferral account debit balances 2020 Additions reversal 2020 years
Group 1 deferred accounts $1,719,186 $1,309,192 $ - $3,028,378 1 to 3
Regulatory settlement account (2,487,285) (245,722) - (2,733,007) nil
Other regulatory accounts 2,218,842 842,840 - 3,061,682 1 to 4
Income tax 2,260,000 114,000 - 2,374,000 -
$3,710,743 $2,020,310 $ - $5,731,053
January 1, Recovery/ December 31, Remaining
Regulatory deferral account credit balances 2021 Additions reversal 2021 years
Group 1 deferred accounts $6,423,582 $(150,295) $ - $6,273,287 1 to 2
Regulatory settlement account (3,481,606) (1,199,991) - (4,681,597) nil
Other regulatory accounts 1,191,888 748,943 1,940,831 1 to3

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$4,133,864 $(601,343) $ - $3,532,521

January 1, Recovery/ December 31, Remaining

Regulatory deferral account credit balances 2020 Additions reversal 2020 years

Group 1 deferred accounts $5,553,563 $870,019 $ - $6,423,582 1 to 3

Regulatory settlement account (2,518,705) (962,901) - (3,481,606) nil

Other regulatory accounts 586,980 604,908 - 1,191,888 1 to 4

$3,621,838 $512,026 $ - $4,133,864

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

BLUEWATER POWER DISTRIBUTION CORPORATION

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Year ended December 31, 2021, with comparative information for 2020

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11. Regulatory balances (continued)

Settlement of the Group 1 regulatory accounts plus LRAMVA is done on an annual basis through application to the OEB. An application was made to the OEB to settle a net receivable amount of $357,531 for LRAMVA to commence in rates effective May 1, 2021. There were no Group 1 regulatory accounts submitted for this same time period. An application was made to the OEB to settle a net receivable amount of $314,805 for Group 1 accounts plus a net receivable amount of $331,601 for LRAMVA, both to commence in rates effective May 1, 2022. Both applications have been approved by the OEB and will be settled over a one year time period. Once OEB approval is received for an application, the approved account balance is moved to the regulatory settlement account in the same month that settlement commences.

The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be settled with its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. For the 2021 fiscal year, the rate was 0.57%.

12. Accounts payable and accrued liabilities

2021 2020

Accounts payable - energy purchases $ 8,113,410 $ 6,973,052

Payroll liabilities 1,383,232 1,249,399

Interest payable - 8,182

Other 2,431,077 4,176,190

$ 11,927,719 $12,406,823

13. Long-term debt

2021 2020

Promissory notes payable $ 19,377,604 $19,377,604

Ontario Infrastructure loan - 821,431

Installment loan 5,333,336 6,333,336

24,710,940 26,532,371

Less: due within one year (1,000,000) (1,821,431) $ 23,710,940 $24,710,940

The promissory notes payable to shareholders bear interest at 6.98% (2020 - 6.98%), due quarterly in arrears, are unsecured and subordinated, and are due on demand with eighteen months written notice. No shareholder has demanded payment and as such, the promissory notes have been presented as a long-term liability.

The Ontario Infrastructure loan matured on September 15, 2021, was secured

and subordinated, and had an interest rate of 3.37% per annum. Interest payable in semi-annual installments, in arrears, on March 15 and September 15 each year commencing in 2012 until maturity. The loan was issued on September 15, 2011.BLUEWATER POWER DISTRIBUTION CORPORATION
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13. Long-term debt (continued)

In April 2020 the Corporation took out a $10 million non-revolving instalment loan with its bank. The loan is amortized over a 10 year period, is secured with a first priority ranking, and bears interest at the monthly Banker's Acceptance (BA) rate plus a stamping fee of 0.75%. At December 31, 2021, the BA rate was 0.44% (2020 - 0.47%), plus the stamping fee of 0.75%, for a total interest rate of 1.19% (2020 - 1.22%). This rate will change each month in conjunction with the underlying monthly change in the BA rate. It has a maturity date of April 2030 and is payable in monthly principal installments of $83,333 plus interest. The Corporation has the option to prepay any amount at any time, which will be applied to its remaining installments in the inverse order of their maturity. The Corporation prepaid $3 million in December 2020.

Reconciliation of movements of liabilities to cash flows arising from financing activities:Customer
Deferred deposits Long-term Dividends
revenue and other debt payable Total
Balance at January 1, 2021 $2,545,581 $1,804,686 $26,532,371 $1,353,801
$32,236,439Changes from financing cash flows:
Deferred revenue receipts 130,880 130,880
Repayment of customer and other deposits 80,450 80,450
Repayment of long-term debt (1,821,431) (1,821,431)
Dividends paid (1,353,801) (1,353,801)
Total changes from financing cash flows 130,880 80,450 (1,821,431)
(1,353,801) (2,963,902)Other changes:
Dividends accrued 1,241,722 1,241,722
Interest expense 1,433,546 1,433,546
Interest paid (1,433,546) (1,433,546)
Balance at December 31, 2021 $2,676,461 $1,885,136 $24,710,940 $1,241,722
$30,514,25914. Post-employment benefits
(a) OMERS pension plan

The Corporation provides a pension plan for its employees through OMERS. The plan is a multi-employer, contributory defined pension plan with equal contributions by the employer and its employees. In 2021, the Corporation made employer contributions of $1,171,712 to OMERS (2020 - $1,190,346), of which $334,975 (2020 - $341,738) has been capitalized as part of PP&E, $114,078 (2020 - $115,406) has been allocated to affiliates, and the remaining amount of $722,659 (2020 - $733,202) has been recognized in profit or loss. The Corporation estimates that a contribution of $1,219,056 to OMERS will be made during the next fiscal year.

As at December 31, 2021, OMERS had approximately 541,000 members, of whom 100 are current employees of the Corporation. The most recently available OMERS annual report is for the year ended December 31, 2021, which reported that the plan was 97% funded, with an unfunded liability of $3.1 billion. This unfunded liability is likely to result in future payments by participating employers and members.BLUEWATER POWER DISTRIBUTION CORPORATION
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14. Post-employment benefits (continued)
(b) Post-employment benefits other than pension

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.Reconciliation of the obligation 2021 2020
Defined benefit obligation, beginning of year $ 13,921,081 $ 12,644,433
Included in profit or loss:
Current service cost 272,154 240,961
Interest cost 357,985 399,844
630,139 640,805
Included in other comprehensive income (loss):
Actuarial (gains) losses arising from:
Changes in demographic assumptions - -
Changes in financial assumptions (1,007,175) 934,276
(1,007,175) 934,276
Transfer of employees to companies under common control (83,101) 175
Benefits paid (304,880) (298,608)
Defined benefit obligation, end of year $ 13,156,064 $ 13,921,081
Actuarial assumptions 2021 2020
General inflation 2.0% 2.0%
Discount rate 3.0% 2.6%
Salary levels 2.3% 2.3%
Medical costs 4.7% 4.4%
Dental costs 4.9% 4.7%

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $2,090,700. A 1% decrease in the assumed discount rate would result in the defined benefits obligation increasing by $2,721,000.

A 1% increase in the assumed cost trends rate would result in the defined benefit obligation increasing by $2,415,800. A 1% decrease in the assumed cost trends rate would result in the defined benefit obligation decreasing by $1,891,900.BLUEWATER POWER DISTRIBUTION CORPORATION
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15. Share capital
2021 2020
Authorized:
Unlimited number of common shares
Issued: 10,000 common shares $ 18,022,105 $ 18,022,105
Dividends

The Corporation has established a dividend policy to pay one-third of after-tax income with consideration given to the cash position, working capital requirements, loan covenants, and the net capital expenditures requirements. As well, the holders of the common shares may also receive additional dividends as declared from time to time.

The Corporation declared aggregate dividends at December 31, 2020 of $1,353,801 ($135.38 per share) which were paid in May 2021. It also declared aggregate dividends at December 31, 2019 of $1,289,482 ($128.95 per share) which were paid in May 2020.

The Corporation has declared aggregate dividends at December 31, 2021 of $1,241,722 ($124.17 per share) which will be paid in May 2022.16. Other revenue

Corporation's name	Business number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

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2021 2020
Rendering of services $ 2,397,891 $ 3,257,661
LRAM revenue 357,531 359,628
Pole and other rental revenue 342,105 361,066
Late payment charges 209,893 241,882
Collection and other service charges 195,548 192,946
Other 151,193 290,519
CDM revenue 105,415 401,885
Contributions received from customers 98,590 89,411
Gain on disposal of plant and equipment 6,825 58,232
$ 3,864,991 $ 5,253,230
17. Employee salaries and benefits
2021 2020
Salaries, wages and benefits $ 8,481,431 $ 8,312,248
CPP and EI remittances 320,837 292,668
Contributions to OMERS 722,659 733,202
Post-employment benefits 272,154 240,961
$ 9,797,081 $ 9,579,079
BLUEWATER POWER DISTRIBUTION CORPORATION
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18. Other expenses
2021 2020
Contract/consulting $ 2,309,226 $ 2,923,050
Materials and supplies 991,852 1,210,802
Miscellaneous 424,444 303,580
Building and utilities 413,032 394,821
Regulatory fees and memberships 412,537 429,088
Phone, internet and data 259,674 336,268
Vehicle, fuel, tools 228,764 162,133
CDM expenses 105,415 406,729
Covid expenses 40,044 123,043
$ 5,184,988 $ 6,289,514
19. Finance income and costs
2021 2020
Finance income
Interest income on bank deposits $ 20,769 $ 45,358
Finance costs
Interest expense on long-term debt 1,433,546 1,483,351
Interest expense on post-employment benefits 357,985 399,844
Impairment losses on financial assets 318,109 79,216
Interest expense - other 13,976 116,582
2,123,616 2,078,993
Net finance costs recognized in profit or loss $ (2,102,847) $ (2,033,635)
20. Changes in non-cash operating working capital:
2021 2020
Accounts receivable $ (1,289,509) $ (226,818)
Due from related parties 195,645 (449,356)
Unbilled revenue 1,065,095 (370,080)
Materials and supplies (285,234) (124,184)
Prepaid expenses 21,806 24,422
Accounts payable and accrued liabilities (479,104) 3,282,336
Due to related parties 4,268,735 13,877
Deposits in aid of construction 1,898,405 235,084
$ 5,395,839 $ 2,385,281

BLUEWATER POWER DISTRIBUTION CORPORATION
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21. Commitments and contingencies
Contractual obligations
i) Master Customer Demand Management ("CDM") Agreement

On October 31, 2014, the Corporation entered into a Master CDM Agreement ("CDM Agreement") with the Independent Electricity System Operator ("IESO") for the period January 1, 2015 to December 31, 2020. This agreement has been extended into 2022 at which time it will come to an end.

The CDM Agreement provides terms under which the Corporation may engage the IESO to design and pay for Province-wide CDM programs in support of the Corporation meeting its CDM targets. Subject to the terms of the CDM Agreement, all IESO CDM program costs are paid by the IESO. The Corporation effectively acts as a delivery agent for those programs that it participates in under the CDM Agreement.

The total cost of IESO CDM program participation over the four year period is estimated to be $15.8 million, of which approximately $4.6 million represents administration costs of the Corporation for program delivery, and the remaining funds relate to customer incentives. The Corporation is entitled to receive, in monthly installments, reimbursements of its actual administration costs associated with each program. Any administration costs incurred by the Corporation in excess of the pre-approved estimate would not be recoverable.

All other program costs incurred by the Corporation, (such as customer incentives and goods and services delivered under the programs) are recoverable from the IESO on an invoiced basis in accordance with the CDM Agreement.ii) Operating leases

The Corporation is committed to lease agreements for various vehicles, equipment and property rights. The future minimum non-cancellable annual lease payments are as follows:2021 2020
Less than one year $ 48,366 $ 47,881
From one to five years 133,093 147,252
More than five years 85,130 115,632
$ 266,589 $ 310,765

Operating leases expensed during the year ended December 31, 2021 was $47,881 (2020 - $47,881).General

From time to time, the Corporation is involved in various litigation matters arising in the ordinary course of its business. The Corporation has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Corporation's financial position, results of operations or its ability to carry on any of its business activities.BLUEWATER POWER DISTRIBUTION CORPORATION
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21. Commitments and contingencies (continued)
General Liability Insurance

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2021, no assessments have been made.22. Financial instruments and risk management
Fair value disclosure

The carrying values of cash, accounts receivable, unbilled revenue, due from/to related parties and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

The carrying value of the customer deposits approximates fair value because the amounts are payable on demand.

The fair value of the long-term debt at December 31, 2021 is $24,660,922 (2020 - $26,498,842). The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the current rate of interest at the reporting date. The interest rate used to calculate fair value at December 31, 2021 was 6.25% (2020 - 5.33%) for the promissory notes payable to shareholders, nil% (2020 - 1.60%) for the Ontario Infrastructure loan, and 1.29% (2020 - 1.24%) for the installment loan.Financial risks

The Corporation understands the risks inherent in its business and defines them broadly as anything that could impact its ability to achieve its strategic objectives. The Corporation's exposure to a variety of risks such as credit risk, interest rate risk, and liquidity risk, as well as related mitigation strategies are discussed below.(a) Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk.

The Corporation earns its revenue from a broad base of customers located in the municipal shareholder territories. No single customer accounts for a balance in excess of 5.8% (2020- 5.7%) of total accounts receivable.

The carrying amount of accounts receivable is reduced through the use of an allowance for impairment and the amount of the related impairment loss is recognized in profit or loss. Subsequent recoveries of receivables previously provisioned are credited to profit or loss. The balance of the allowance for impairment at December 31, 2021 is $240,000 (2020 - $240,000). An impairment loss of $318,109 (2020 - $79,216) was recognized during the year.

The Corporation's credit risk associated with accounts receivable is primarily related to payments from distribution customers. At December 31, 2021, approximately $296,959 (2020 - $333,360) is considered more than 60 days past due. The Corporation has approximately 36,000 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB. As at December 31, 2021, the Corporation holds security deposits in the amount of $845,821 (2020 - $1,005,251).

BLUEWATER POWER DISTRIBUTION CORPORATION

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Year ended December 31, 2021, with comparative information for 2020

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22. Financial instruments and risk management (continued)

Financial risks (continued)

(b) Market risk

Market risk primarily refers to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. The Corporation currently does not have any material commodity or foreign exchange risk. The Corporation is exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

A 1% increase in the interest rate in 2021 would have increased interest expense on the long-term debt by $251,693 (2020 - $263,776), assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.(c) Liquidity risk

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The Corporation monitors its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a $9,100,000 credit facility and monitors cash balances daily to ensure that a sufficient level of liquidity is on hand to meet financial commitments as they become due. As at December 31, 2021, $5,719 (2020 - $331,615) had been drawn under the Corporation's $9,100,000 credit facility.

The Corporation has letters of credit aggregating $3,704,848 (2020 - $3,704,848) in favour of the IESO as security for the Corporation's purchase of electricity through the IESO. The Corporation also has letters of credit aggregating $650,000 (2020 - $650,000) in favour of Hydro One as security for the Corporation's purchase of electricity through Hydro One. At year end, no amounts were drawn on these letters of credit.

The majority of accounts payable, as reported on the statement of financial position, are due within 30 days.(d) Capital disclosures

The main objectives of the Corporation, when managing capital, are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2021, shareholder's equity amounts to $41,520,380 (2020 - $38,029,762) and long-term debt amounts to $23,710,940 (2020 - $24,710,940).BLUEWATER POWER DISTRIBUTION CORPORATION

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Year ended December 31, 2021, with comparative information for 2020

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22. Financial instruments and risk management (continued)

Financial risks (continued)

(e) Other risk - Impact of COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. The Government of Ontario originally announced a state of emergency on March 17, 2020 which remained in effect until July 24, 2020 when the Reopening Ontario Act, 2020 was introduced providing for restrictive orders. A secondary state of emergency was declared effective January 14, 2021 until February 16, 2021. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The OEB has informed the Company that it is to track any COVID-19 related expenses including bad debt expenses through a deferral account for potential future recovery. On June 17, 2021, the OEB issued OEB-2020-0133 to provide guidance and clarification as to amounts that may be eligible for recovery through future rates. Eligible amounts include certain lost revenues as well as incremental expenditures incurred as a result of the pandemic that are deemed to be material. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a

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direct impact on the Company's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

23. Deferred revenue:

Deferred revenue relates to the capital contributions received from customers and others, as well as conservation program funding advances received from the IESO.

The amount of deferred revenue received from customers and others in the year is recognized as revenue on a straight-line basis over the life of asset for which the contribution was received.

The amount of conservation program funding advances are recognized as revenue when there is reasonable assurance that the conservation program conditions have been satisfied.Conservation
Capital program
contributions funding Total
Balance at January 1, 2021 $ 1,910,172 $ 635,409 $ 2,545,581
Received during the year 229,470 - 229,470
Taken into income (98,590) - (98,590)
Balance at December 31, 2021 $ 2,041,052 $ 635,409 $ 2,676,461
Balance at January 1, 2020 $ 1,517,955 $ 635,409 $ 2,153,364
Received during the year 481,628 - 481,628
Taken into income (89,411) - (89,411)
Balance at December 31, 2020 $ 1,910,172 $ 635,409 $ 2,545,581
BLUEWATER POWER DISTRIBUTION CORPORATION
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Year ended December 31, 2021, with comparative information for 2020
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24. Revenue from contracts with customers

The Corporation generates revenue primarily from the sale and distribution of electricity to its customers. In the following tables, revenue from contracts with electricity customers is disaggregated by type of customer.

a) Sale of energy:
2021 2020
Commercial $ 43,703,925 $ 50,958,386
Residential 36,489,954 40,113,497
Large users 13,924,813 15,465,587
Other 697,445 857,072
$ 94,816,137 $ 107,394,542

b) Distribution revenue:
2021 2020
Residential $ 12,913,282 $ 12,737,336
Commercial 6,914,094 6,743,720
Large users 1,951,770 1,911,269
Other 675,392 673,199
$ 22,454,538 $ 22,065,524

Canada Revenue Agency
Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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			4,732,340	A

Add:

Provision for income taxes – current	101	683,000		
Amortization of tangible assets	104	3,728,361		
Amortization of intangible assets	106	947,854		
Charitable donations and gifts from Schedule 2	112	15,700		
Non-deductible meals and entertainment expenses	121	61,068		
Subtotal of additions		5,435,983 ▶	5,435,983	

Add:

Non-deductible legal and accounting fees	228	1,337

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	1,298
2	Carrying charges recovered less expensed	151,580
3	Employee future benefits	0
4	Election under subsection 13(7.4)	229,470
	Total of column 2	382,348 ▶

	296	382,348		
Subtotal of other additions	199	383,685 ▶	383,685	D
Total additions	500	5,819,668 ▶	5,819,668	
Amount A **plus** line 500			10,552,008	B

Deduct:

Gain on disposal of assets per financial statements	401	6,825	
Capital cost allowance from Schedule 8	403	6,281,969	
Subtotal of deductions		6,288,794 ▶	6,288,794

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	Amortization of contributed capital	98,590
2	Sale of Scrap booked to Revenue for accounting	68,212
3	Capital Items expensed for tax	590,736
4	Election under subsection 13(7.4)	229,470
5	Employee future benefits	681,916
6	Co-op & ATTC included in income for acctg	11,396
	Total of column 2	1,680,320 ▶

396	1,680,320

Subtotal of other deductions	499	1,680,320 ▶	1,680,320	E
Total deductions	510	7,969,114 ▶	7,969,114	
Net income (loss) for income tax purposes (amount B **minus** line 510)			2,582,894	C

Enter amount C on line 300 of the T2 return.

Inducement

This form is used to calculate inducements that a corporation must add to its income under paragraph 12(1)(x) ITA. If an amount reduces the capital cost of a property, this amount will be indicated in Part "Tax credits whose amount should reduce the capital cost of property."

If you want to transfer an amount to Schedule 1 and include it in the corporation's income for tax purposes, select the corresponding check box in column A. You can also select the option **Select this check box to add all the amounts to income calculated in Schedule 1** to transfer all the amounts to Schedule 1. In either case, the column A check box will be selected for that amount and it will therefore be updated to Schedule 1.

Tax credits whose amount should be added to income

Ontario

A		
☒	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
☒	Ontario co-operative education tax credit	
☒	Ontario apprenticeship training tax credit	1,298
☐	Ontario computer animation and special effects tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario film and television tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario interactive digital media tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
☐	Ontario book publishing tax credit	
☐	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
☐	Ontario business-research institute tax credit	
☐	Ontario community food program donation tax credit for farmers	

Tax credits whose amount should reduce the capital cost of property

Canada Revenue Agency Agence du revenu du Canada

Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- For use by corporations to claim any of the following:
  - the eligible amount of charitable donations to qualified donees
  - the Ontario, Nova Scotia, and British Columbia food donation tax credits for farmers
  - the eligible amount of gifts of certified cultural property
  - the eligible amount of gifts of certified ecologically sensitive land or
  - the additional deduction for gifts of medicine made before March 22, 2017
- All legislative references are to the federal Income Tax Act, unless stated otherwise.
- The eligible amount of a gift is the amount by which the fair market value of the gifted property exceeds the amount of an advantage, if any, for the gift.
- The donations and gifts can be carried forward for 5 years except for gifts of certified ecologically sensitive land made after February 10, 2014, which can be carried forward for 10 years.
- Use this schedule to show a transfer of unused amounts from previous years following an amalgamation or the wind-up of a subsidiary as described under subsections 87(1) and 88(1).
- Subsection 110.1(1.2) provides as follows:
  - Where a particular corporation has undergone an acquisition of control, for tax years that end on or after the acquisition of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the acquisition of control.
  - If a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the acquisition of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- An eligible medical gift made before March 22, 2017, to a qualifying organization for activities outside of Canada may be eligible for an additional deduction. Calculate the additional deduction in Part 5.
- File this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation – Income Tax Guide.

Part 1 – Charitable donations

Charity/Recipient	Amount ($100 or more only)
Various	15,700
Subtotal	15,700
Add: Total donations of less than $100 each	
Total donations in current tax year	15,700

Part 1 – Charitable donations

		Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			1A		
Charitable donations expired after five tax years*	**239**				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	**240**				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	**250**				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	**210**	15,700		15,700	15,700
Subtotal (line 250 **plus** line 210)		15,700	1B	15,700	15,700
Subtotal (line 240 **plus** amount 1B)		15,700	1C	15,700	15,700
Adjustment for an acquisition of control	**255**				
Total charitable donations available (amount 1C **minus** line 255)		15,700	1D	15,700	15,700
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	**260**	15,700		15,700	15,700
Charitable donations closing balance (amount 1D **minus** line 260)	**280**				

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	**262**		
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1

Enter amount 1 on line 420 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Ontario income tax otherwise payable or amount 1. For more information, see section 103.1.2 of the Taxation Act, 2007 (Ontario).

The amount of qualifying donations for the Nova Scotia food bank tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2015)	**263**		
Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %)			2

Enter amount 2 on line 570 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the Nova Scotia income tax otherwise payable or amount 2. For more information, see section 50A of the Nova Scotia Income Tax Act.

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2024)	**265**		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

Enter amount 3 on line 683 of Schedule 5, Tax Calculation Supplementary – Corporations. The maximum you can claim in the current year is whichever is less: the British Columbia income tax otherwise payable or amount 3. For more information, see section 20.1 of the British Columbia Income Tax Act.

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Charitable donations

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total (to line A)				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes Note 1 **multiplied** by 75 %			1,937,171 2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 Note 2	**225**		
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	**227**		
The amount of the recapture of capital cost allowance in respect of charitable donations	**230**		
Proceeds of disposition, **less** outlays and expenses Note 2	2B		
Capital cost Note 2	2C		
Amount 2B or 2C, whichever is less	**235**		
Amount on line 230 or 235, whichever is less		2D	
Subtotal (**add** lines 225, 227, and amount 2D)		2E	
Amount 2E **multiplied** by 25 %			2F
Subtotal (amount 2A **plus** amount 2F)			1,937,171 2G
Maximum allowable deduction for charitable donations (enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least)			15,700 2H

Note 1: For credit unions, subsection 137(2) states that this amount is before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest.

Note 2: This amount must be prorated by the following calculation, eligible amount of the gift **divided** by the proceeds of disposition of the gift.

Part 3 – Gifts of certified cultural property

		Federal		Québec	Alberta
Gifts of certified cultural property at the end of the previous tax year			3A		
Gifts of certified cultural property expired after five tax years*	439				
Gifts of certified cultural property at the beginning of the current tax year (amount 3A **minus** line 439)	440				
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary	450				
Total gifts of certified cultural property in the current year (include this amount on line 112 of Schedule 1)	410				
Subtotal (line 450 **plus** line 410)			3B		
Subtotal (line 440 **plus** amount 3B)			3C		
Adjustment for an acquisition of control	455				
Amount applied in the current year against taxable income (enter this amount on line 313 of the T2 return)	460				
Subtotal (line 455 **plus** line 460)			3D		
Gifts of certified cultural property closing balance (amount 3C **minus** amount 3D)	480				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 24, 2006, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 4 – Gifts of certified ecologically sensitive land

		Federal	Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year	4A			
Gifts of certified ecologically sensitive land expired after 5 tax years, or after 10 tax years for gifts made after February 10, 2014*	**539**			
Gifts of certified ecologically sensitive land at the beginning of the current tax year (amount 4A **minus** line 539)	**540**			
Gifts of certified ecologically sensitive land transferred on an amalgamation or the wind-up of a subsidiary	**550**			
Total current-year gifts of certified ecologically sensitive land (include this amount on line 112 of Schedule 1)	**520**			
Subtotal (line 550 **plus** line 520)	4B			
Subtotal (line 540 **plus** amount 4B)	4C			
Adjustment for an acquisition of control	**555**			
Amount applied in the current year against taxable income (enter this amount on line 314 of the T2 return)	**560**			
Subtotal (line 555 **plus** line 560)	4D			
Gifts of certified ecologically sensitive land closing balance (amount 4C **minus** amount 4D)	**580**			

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, expire after five tax years and gifts made after February 10, 2014, expire after ten tax years. For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, expire after five tax years; otherwise, donation and gifts expire after twenty tax years.

Amounts carried forward – Gifts of certified ecologically sensitive land

Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date . . . .

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year*	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total				

* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line *6th prior year* and gifts that are included on line *11th prior year* expire automatically in the current year.

The field "Amount of carried forward gifts made on or after February 11, 2014, in the tax year including this date" is used to distinguish the portion of the gifts made in the tax year straddling February 11, 2014, that expires after ten tax years, from the portion that expires in the current tax year.

For Québec tax purposes, donations and gifts made during a tax year that ended before March 24, 2006, that are included on line *6th prior year* and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Part 5 – Additional deduction for gifts of medicine

		Federal		Québec	Alberta
Additional deduction for gifts of medicine at the end of the previous tax year			5A		
Additional deduction for gifts of medicine expired after five tax years*	**639**				
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A **minus** line 639)	**640**				
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary	**650**				
Additional deduction for gifts of medicine made before March 22, 2017:					
Proceeds of disposition	**602**				
Cost of gifts of medicine made before March 22, 2017	**601**				
Subtotal (line 602 **minus** line 601)			5B		
Amount 5B **multiplied** by 50 %			5C		
Eligible amount of gifts	**600**				

Federal

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 **610** ______

Québec

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

Alberta

a ______ x (b ______ / c) = Additional deduction for gifts of medicine made before March 22, 2017 ______

where:

a is the **lesser** of line 601 and amount 5C

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	**655**				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	**660**				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F)	**680**				

* For federal and Alberta tax purposes, donations and gifts expire after five tax years. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, expire after five tax years; otherwise, donations and gifts expire after twenty tax years.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2020-12-31			
2nd prior year	2019-12-31			
3rd prior year	2018-12-31			
4th prior year	2017-12-31			
5th prior year	2016-12-31			
6th prior year*	2015-12-31			
7th prior year	2014-12-31			
8th prior year	2013-12-31			
9th prior year	2012-12-31			
10th prior year	2011-12-31			
11th prior year	2010-12-31			
12th prior year	2009-12-31			
13th prior year	2008-12-31			
14th prior year	2007-12-31			
15th prior year	2006-12-31			
16th prior year	2005-12-31			
17th prior year	2004-12-31			
18th prior year	2003-12-31			
19th prior year	2002-12-31			
20th prior year	2001-12-31			
21st prior year*	2001-09-30			
Total				

* For federal and Alberta tax purposes, donations and gifts included on line *6th prior year* expire automatically in the current tax year. For Québec tax purposes, donations and gifts made in a tax year that ended before March 19, 2007, that are included on line *6th prior year* and donations and gifts that are included on line *21st prior year* expire automatically in the current tax year.

Québec – Gifts of musical instruments

Gifts of musical instruments at the end of the previous tax year		A
Deduct: Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
Add:		
Gifts of musical instruments transferred on an amalgamation or the wind-up of a subsidiary		D
Total current-year gifts of musical instruments		E
Subtotal (line D **plus** line E)		F
Deduct: Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
Deduct: Amount applied against taxable income (enter this amount on line 255 of form CO-17)		I
Gifts of musical instruments closing balance		J

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2020-12-31	
2nd prior year	2019-12-31	
3rd prior year	2018-12-31	
4th prior year	2017-12-31	
5th prior year	2016-12-31	
6th prior year*	2015-12-31	
7th prior year	2014-12-31	
8th prior year	2013-12-31	
9th prior year	2012-12-31	
10th prior year	2011-12-31	
11th prior year	2010-12-31	
12th prior year	2009-12-31	
13th prior year	2008-12-31	
14th prior year	2007-12-31	
15th prior year	2006-12-31	
16th prior year	2005-12-31	
17th prior year	2004-12-31	
18th prior year	2003-12-31	
19th prior year	2002-12-31	
20th prior year	2001-12-31	
21st prior year*	2001-09-30	
Total		

* These gifts expired in the current year.

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Schedule 3

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- Corporations must use this schedule to report:
  - non-taxable dividends under section 83
  - deductible dividends under subsection 138(6)
  - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d)
  - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3)
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations (as defined in subsection 186(3)).
- A payer corporation is **connected** with a recipient corporation at any time in a tax year, if at that time the recipient corporation meets either of the following conditions:
  - it controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b)
  - it owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.
  Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H, I, I.1 and L **only if** the payer corporation is **connected.**

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing columns J, K and L use the **special calculations provided in the notes**.

	A Name of payer corporation (from which the corporation received the dividend) 200	A1	B Enter 1 if payer corporation is **connected** 205	C Business number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD 220	E Non-taxable dividends under section 83 230
1			2			
					Total of column E (enter amount on line 402 of Schedule 1)	

Part 1 – Dividends received in the tax year (continued)

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1),(b), or (d)[note 1] **240**	F1	G Eligible dividends included in column F **242**	H Total taxable dividends paid by **connected** payer corporation (for tax year in column D) **250**
1				

	I Dividend refund of the **connected** payer corporation (for tax year in column D)[note 2] **260**	I.1 Dividend refund of the **connected** payer corporation from its eligible refundable dividend tax on hand (ERDTOH) (for tax year in column D) [notes 2 and 5]	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3%[note 3] **265**	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3%[note 4] **275**	L Part IV tax before deductions on taxable dividends received from **connected** corporations [notes 2 and 5] **280**
1					

Total of column L (enter amount on line 2E in Part 2)

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B) 1A

Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B) 1B

Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return) 1C

Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B) 1D

Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B) 1E

Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B) 1F

Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B) 1G

Subtotal (amount 1F **plus** amount 1G) ▶ 1H

Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B) 1I

Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B) 1J

Subtotal (amount 1I **plus** amount 1J) ▶ 1K

Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H **minus** amount 1K) 1L

1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column K (and column J, if applicable). Life insurers are not subject to Part IV tax on subsection 138(6) dividends.

2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable. For column L, you only have to estimate the payer's dividend refund from its eligible refundable dividend tax on hand (ERDTOH) (column I.1).

3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.

4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

5 For taxable dividends received from connected corporations (with a tax year starting after 2018), Part IV tax on dividends is equal to: total of amounts CC and II of the connected payer corporation (on page 7 of the T2 return) divided by column H multiplied by column F. If there is no dividend refund (or estimated dividend refund) to the connected payer corporation from its ERDTOH for paying the taxable dividends, enter "0" in column L.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A

Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320**

Subtotal (amount 2A **minus** line 320) ▶ 2B

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax (total of lines 330 to 345) 2C

Amount 2C **multiplied** by 38 1 / 3 % 2D

Part IV tax payable (amount 2B **minus** amount 2D, if negative enter "0") **360**

(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1) 2E

Amount 4A from Schedule 43 . . . . 2F

Part IV tax payable on taxable dividends received from connected corporations (amount 2E **minus** amount 2F, if negative enter "0") 2G

(enter at amount L on page 7 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTOH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) 2H

Amount 4C from Schedule 43 . . . . 2I

Part IV tax payable on eligible dividends received from non-connected corporations (amount 2H **minus** amount 2I, if negative enter "0") 2J

(enter at amount M on page 7 of the T2 return)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the recipient corporation with which you are connected, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

	L Name of recipient corporation with which you are connected **400**	M Business number **410**	N Tax year-end of recipient corporation in which the dividends in column O were received YYYYMMDD **420**	O Taxable dividends paid to recipient corporations with which you are connected **430**	P Eligible dividends included in column O **440**
1	Bluewater Power Corporation	89247 0410 RC0001	2021-12-31	1,353,801	
2					
				1,353,801 (Total of column O)	(Total of column P)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O **plus** line 450)	460	1,353,801
Total eligible dividends paid in the tax year (total of column P **plus** line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 **minus** line 465)	470	1,353,801

Complete this part to determine the following amounts in order to calculate the dividend refund.

Line 465 **multiplied** by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 **multiplied** by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)	518,957	3B

Part 4 – Total dividends paid in the tax year

Complete this part **if** the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)		1,353,801
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	1,353,801

Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)	►	4A

Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount 4A) 1,353,801 4B

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

- Use this schedule if any of the following apply to your corporation during the tax year:
  - – it had a permanent establishment in more than one jurisdiction (corporations that have no taxable income should only complete columns A, B, and D in Part 1)
  - – it is claiming provincial or territorial tax credits or rebates (see Part 2)
  - – it has to pay taxes, other than income tax, for Newfoundland and Labrador or Ontario (see Part 2)
- All legislative references are to the federal Income Tax Regulations (the Regulations).
- For more information, see the T2 Corporation – Income Tax Guide.
- For the regulation number to be entered in field 100 of Part 1, see the chart below.

Part 1 – Allocation of taxable income

100 ______________________ Enter the regulation that applies (402 to 413)

A Jurisdiction. Tick yes if your corporation had a permanent establishment in the jurisdiction during the tax year Note 1		B Total salaries and wages paid in jurisdiction	C (B x taxable income) / G	D Gross revenue attributable to jurisdiction	E (D x taxable income) / H	F Allocation of taxable income (C + E) x 1/2 Note 2 (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador	003 Yes ☐	103		143		
Newfoundland and Labrador Offshore	004 Yes ☐	104		144		
Prince Edward Island	005 Yes ☐	105		145		
Nova Scotia	007 Yes ☐	107		147		
Nova Scotia Offshore	008 Yes ☐	108		148		
New Brunswick	009 Yes ☐	109		149		
Quebec	011 Yes ☐	111		151		
Ontario	013 Yes ☐	113		153		
Manitoba	015 Yes ☐	115		155		
Saskatchewan	017 Yes ☐	117		157		
Alberta	019 Yes ☐	119		159		
British Columbia	021 Yes ☐	121		161		
Yukon	023 Yes ☐	123		163		
Northwest Territories	025 Yes ☐	125		165		
Nunavut	026 Yes ☐	126		166		
Outside Canada	027 Yes ☐	127		167		
Total		129 G		169 H		

Note 1: **Permanent establishment** is defined in subsection 400(2).
Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

Notes:

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

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Canada

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

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

Ontario basic income tax (from Schedule 500) 270

Ontario small business deduction (from Schedule 500) 402

Subtotal (line 270 **minus** line 402) ► 5A

Ontario transitional tax debits (from Schedule 506) 276

Recapture of Ontario research and development tax credit (from Schedule 508) 277

Subtotal (line 276 **plus** line 277) ► 5B

Gross Ontario tax (amount 5A **plus** amount 5B) 5C

Ontario resource tax credit (from Schedule 504) 404

Ontario tax credit for manufacturing and processing (from Schedule 502) 406

Ontario foreign tax credit (from Schedule 21) 408

Ontario credit union tax reduction (from Schedule 500) 410

Ontario political contributions tax credit (from Schedule 525) 415

Ontario non-refundable tax credits (total of lines 404 to 415) ► 5D

Subtotal (amount 5C **minus** amount 5D) (if negative, enter "0") 5E

Ontario research and development tax credit (from Schedule 508) 416

Ontario corporate income tax payable before Ontario corporate minimum tax credit and Ontario community food program donation tax credit for farmers (amount 5E **minus** line 416) (if negative, enter "0") 5F

Ontario corporate minimum tax credit (from Schedule 510) 418

Ontario community food program donation tax credit for farmers (from Schedule 2) 420

Ontario corporate income tax payable (amount 5F **minus** the total of lines 418 and 420) (if negative, enter "0") 5G

Ontario corporate minimum tax (from Schedule 510) 278

Ontario special additional tax on life insurance corporations (from Schedule 512) 280

Subtotal (line 278 **plus** line 280) ► 5H

Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H) 5I

Ontario qualifying environmental trust tax credit 450

Ontario co-operative education tax credit (from Schedule 550) 452

Ontario apprenticeship training tax credit (from Schedule 552) 454

Ontario computer animation and special effects tax credit (from Schedule 554) 456

Ontario film and television tax credit (from Schedule 556) 458

Ontario production services tax credit (from Schedule 558) 460

Ontario interactive digital media tax credit (from Schedule 560) 462

Ontario book publishing tax credit (from Schedule 564) 466

Ontario innovation tax credit (from Schedule 566) 468

Ontario business-research institute tax credit (from Schedule 568) 470

Ontario regional opportunities investment tax credit (from Schedule 570) 472

Ontario refundable tax credits (total of lines 450 to 472) ► 5J

Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J) 290
(if a credit, enter amount in brackets) Include this amount on line 255.

Summary

Enter the total net tax payable or refundable tax credits for all provinces and territories on line 255.

Net provincial and territorial tax payable or refundable tax credits 255

If the amount on line 255 is positive, enter the net provincial and territorial tax payable on line 760 of the T2 return.
If the amount on line 255 is negative, enter the net provincial and territorial refundable tax credits on line 812 of the T2 return.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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 ☒

	1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8
	200		**201**	**203**	**225**	**205**	**221**	**222**	**207**	
1.	1		11,663,802						0	11,663,802
2.	1b		2,884,520	231,963	231,963				0	3,116,483
3.	2		5,658,655						0	5,658,655
4.	8		1,263,743	196,300	196,300				0	1,460,043
5.	10		1,243,926	320,912	320,912				6,825	1,558,013
6.	10.1	Supervisor Truck	13,051						N/A	13,051
7.	10.1		18,645						N/A	18,645
8.	14.1		783,335						0	783,335
9.	17		16,830						0	16,830
10.	45		65						0	65
11.	46		11,434						0	11,434
12.	47		25,449,769	5,596,333	5,596,333				68,212	30,977,890
13.	50		506,617	1,097,589	1,097,589				0	1,604,206
14.	95		1,393,645	1,531,411	1,531,411				1,393,645	1,531,411
15.	10.1	2021 Ford F-150		33,900	33,900				N/A	33,900
16.	10.1	2021 Ford Super Duty		33,900	33,900				N/A	33,900
17.	12			472,224	472,224				0	472,224
		Totals	50,908,037	9,514,532	9,514,532				1,468,682	58,953,887

	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						4	0	0	466,552	11,197,250
2.	1b			231,963	115,982		6	0	0	193,948	2,922,535
3.	2						6	0	0	339,519	5,319,136
4.	8			196,300	98,150		20	0	0	311,639	1,148,404
5.	10		6,825	314,087	157,044		30	0	0	514,517	1,043,496
6.	10.1	Supervisor Truck					30	N/A	N/A	3,915	9,136
7.	10.1						30	N/A	N/A	5,594	13,051
8.	14.1						5	0	0	55,239	728,096
9.	17						8	0	0	1,346	15,484
10.	45						45	0	0	29	36
11.	46						30	0	0	3,430	8,004
12.	47		68,212	5,528,121	2,764,061		8	0	0	2,699,356	28,278,534
13.	50			1,097,589	548,795		55	0	0	1,184,151	420,055
14.	95		1,393,645	137,766	68,883		0	0	0		1,531,411
15.	10.1	2021 Ford F-150		33,900	16,950		30	N/A	N/A	15,255	18,645
16.	10.1	2021 Ford Super Duty		33,900	16,950		30	N/A	N/A	15,255	18,645
17.	12			472,224			100	0	0	472,224	
		Totals	1,468,682	8,045,850	3,786,815					6,281,969	52,671,918

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.

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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.	Bluewater Power Corporation		89247 0410 RC0001	1					
2.	Bluewater Power Renewable Energ		85839 3556 RC0002	3					
3.	Bluewater Power Services Corporat		89255 8214 RC0001	3					
4.	Bluewater Regional Networks Inc.		78504 1328 RC0001	3					
5.	Electek Power Services Inc.		86220 1712 RC0002	3					
6.	Sarnia Power Corporation		89252 3812 RC0001	3					
7.	Unconquered Sun Solar Technologi		80482 8853 RC0002	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

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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	Bluewater Power Distribution Corporation	86572 7390 RC0001	1	500,000	100.0000	500,000	
2	Bluewater Power Corporation	89247 0410 RC0001	1	500,000			
3	Bluewater Power Renewable Energy Inc	85839 3556 RC0002	1	500,000			
4	Bluewater Power Services Corporation	89255 8214 RC0001	1	500,000			
5	Bluewater Regional Networks Inc.	78504 1328 RC0001	1	500,000			
6	Electek Power Services Inc.	86220 1712 RC0002	1	500,000			
7	Sarnia Power Corporation	89252 3812 RC0001	1	500,000			
8	Unconquered Sun Solar Technologies Inc.	80482 8853 RC0002	1	500,000			
				Total	100.0000	500,000	A

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

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

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

Special rules for business limit

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

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
  - if you are claiming:
    - the **Ontario Research and Development Tax Credit**
    - the **Ontario Innovation Tax Credit**
- Unless otherwise stated, all legislative references are to the federal Income Tax Act and Income Tax Regulations.
- The ITC is eligible for a three-year carryback (if not deductible in the year earned). It is also eligible for a twenty-year carryforward.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that currently earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you made the investment.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Parts 22 to 26)
    - Expenditures related to child care spaces incurred after March 21, 2017, no longer qualify for the ITC. However, if you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 remain eligible for the credit.
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see "Investment Tax Credit" in Guide T4012, T2 Corporation – Income Tax Guide and read Information Circular IC78-4, Investment Tax Credit Rates, and its related Special Release.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, **investment** means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired.
- An ITC deducted in a tax year for a depreciable property, other than a depreciable property deductible under paragraph 37(1)(b), reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use** before a claim for an ITC can be made. See subsections 127(11.2) and 248(19) for more information.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures.
- Expenditures for apprenticeship or child care space for an ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures or capital costs.
- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners.
  For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms).
- For tax purposes**,** Canada includes the **exclusive economic zone of Canada** as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).

Detailed information (continued)

- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Property in Atlantic Canada that is used primarily for oil and gas, and mining activities is considered qualified property only if acquired by the taxpayer **before** March 29, 2012, unless transitional measures were granted*. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.
- For the purpose of this schedule, **qualified resource property** means property in Atlantic Canada that is used primarily for oil and gas, and mining activities, if acquired by the taxpayer **after** March 28, 2012, and **before** January 1, 2016. Qualified resource property includes new buildings and new machinery and equipment (prescribed in Regulation 4600). See the definition of **qualified resource property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures, and percentages

Investments	**Specified percentage**
Qualified property acquired primarily for use in Atlantic Canada	10 %
Qualified resource property acquired primarily for use in Atlantic Canada and acquired:	
– after March 28, 2012, and before 2014	10 %
– after 2013 and before 2016	5 %
– after 2015*	0 %
Expenditures	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %

Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15% rate.

If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
If you incurred expenditures after March 18, 2007, and before March 22, 2017 (or before 2020 if you entered into a written agreement before March 22, 2017) for the creation of licensed child care spaces for the children of your employees and, potentially, for other children	25 %

* A transitional relief rate of 10% may apply to property acquired after 2013 and before 2017, if the property is acquired under a written agreement entered into before March 29, 2012, or the property is acquired as part of a **phase** of a project where the construction or the engineering and design work for the construction started before March 29, 2012. See paragraph (a.1) of the definition of **specified percentage** in subsection 127(9) for more information.

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

Part 2 – Determination of a qualifying corporation

Is the corporation a qualifying corporation? . . . . **101** Yes ☐ No ☒

For the purpose of a refundable ITC, a **qualifying corporation** is defined under subsection 127.1(2). The corporation has to be a CCPC and its taxable income (before any loss carrybacks) for its previous tax year cannot be more than its **qualifying income limit** for the particular tax year. If the corporation is associated with any other corporations during the tax year, the total of the taxable incomes of the corporation and the associated corporations (before any loss carrybacks), for their last tax year ending in the previous calendar year, cannot be more than their qualifying income limit for the particular tax year.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered **not** associated for the calculation of a refundable ITC if both of the following conditions are met:
- one corporation is associated with another corporation only because one or more persons own shares of the capital stock of both corporations
- one of the corporations has at least one shareholder who is not common to both corporations

If you are a **qualifying** corporation, you will earn a **100%** refund on your share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit.

Some CCPCs that are **not qualifying** corporations may also earn a **100%** refund on their share of any ITCs earned at the 35% rate on qualified expenditures for SR&ED, up to the allocated expenditure limit. The expenditure limit can be determined in Part 10.

The 100% refund will not be available to a corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149

b) Her Majesty in right of a province, a Canadian municipality, or any other public authority

c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

Complete this area if the corporation is making SR&ED contributions.

Is the corporation claiming a contribution in the current year to an agricultural organization whose goal is to finance SR&ED work (for example, check-off dues)? . . . . **102** Yes ☐ No ☒

If **yes**, complete Schedule 125, Income Statement Information, to identify the type of farming industry the corporation is involved in.

Contributions to agricultural organizations for SR&ED* . . . . ________ x 80 % = **103** ________
Enter on line 350 of Part 8.

* Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

Part 4 – Eligible investments for qualified property and qualified resource property from the current tax year

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property and qualified resource property	A1

Part 5 – Current-year credit and account balances – ITC from investments in qualified property and qualified resource property

ITC at the end of the previous tax year B1

Credit deemed as a remittance of co-op corporations **210**

Credit expired **215**

Subtotal (line 210 **plus** line 215) ▶ C1

ITC at the beginning of the tax year (amount B1 **minus** amount C1) **220**

Credit transferred on an amalgamation or the wind-up of a subsidiary **230**

ITC from repayment of assistance **235**

Qualified property; and qualified resource property acquired after March 28, 2012, and before January 1, 2014* (applicable part from amount A1 in Part 4) . . . . . . x 10 % = **240**

Qualified resource property acquired after December 31, 2013, and before January 1, 2016 (applicable part from amount A1 in Part 4) . . . . . x 5 % = **242**

Credit allocated from a partnership **250**

Subtotal (total of lines 230 to 250) ▶ D1

Total credit available (line 220 **plus** amount D1) E1

Credit deducted from Part I tax **260**

Credit carried back to previous years (amount H1 in Part 6) . . . . a

Credit transferred to offset Part VII tax liability **280**

Subtotal (total of line 260, amount a, and line 280) ▶ F1

Credit balance before refund (amount E1 **minus** amount F1) G1

Refund of credit claimed on investments from qualified property and qualified resource property (from Part 7) **310**

ITC closing balance of investments from qualified property and qualified resource property (amount G1 **minus** line 310) **320**

* Include investments acquired after 2013 and before 2017 that are eligible for transitional relief.

Part 6 – Request for carryback of credit from investments in qualified property and qualified resource property

	Year	Month	Day			
1st previous tax year				Credit to be applied	**901**	
2nd previous tax year				Credit to be applied	**902**	
3rd previous tax year				Credit to be applied	**903**	

Total of lines 901 to 903
Enter at amount a in Part 5. H1

Part 7 – Refund of ITC for qualifying corporations on investments from qualified property and qualified resource property

Current-year ITCs (total of lines 240, 242, and 250 in Part 5) I1

Credit balance before refund (from amount G1 in Part 5) J1

Refund (40 % of amount I1 or J1, whichever is less) K1

Enter amount K1 or a lesser amount on line 310 in Part 5 (also enter on line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Current expenditures (from line 559 on Form T661) . . . .

Contributions to agricultural organizations for SR&ED . . . .

Deduct:

Government assistance, non-government assistance, or contract payment . . . .

Subtotal

x 80 %

Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)* . . . . ▶ +

Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)* . . . . ▶ **350**

Repayments made in the year (from line 560 on Form T661) **370**

Total qualified SR&ED expenditures (line 350 **plus** line 370) **380**

* If you are claiming only contributions made to agricultural organizations for SR&ED, line 350 should equal line 103 in Part 3. Do not file Form T661.

Part 9 – Components of the SR&ED expenditure limit calculation

Part 9 only applies if you are a CCPC.

Note: A CCPC considered associated with another corporation under subsection 256(1) will be considered not associated for the calculation of an SR&ED expenditure limit if both of the following apply:

- one corporation is associated with another corporation solely because one or more persons own shares of the capital stock of the corporation
- one of the corporations has at least one shareholder who is not common to both corporations

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? . . . . **385** Yes ☐ No ☒

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete lines 390 and 398.
If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) **390** 2,916,868

Enter your taxable capital employed in Canada for the previous tax year 90,333,412
minus $10 million. If this amount is nil or negative, enter "0".
If this amount is over $40 million, enter $40 million **398** 40,000,000

* If the tax year referred to on line 390 is less than 51 weeks, **multiply** the taxable income by the following result: 365 **divided** by the number of days in that tax year.

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation $ **8,000,000**

Taxable income for the previous tax year (line 390 in Part 9) or $500,000, whichever is more 2,916,868 x 10 = 29,168,680 A2

Excess ($8,000,000 **minus** amount A2; if negative, enter "0") B2

$ 40,000,000 **minus** line 398 in Part 9 . . . . b

Amount b **divided** by $ 40,000,000 . . . . C2

For tax years ending before March 19, 2019
Amount B2 **multiplied** by amount C2 D2

For tax years ending after March 18, 2019
3,000,000 **multiplied** by amount C2 E2

Expenditure limit for the stand-alone corporation (amount D2 or amount E2, whichever applies)* F2

For an associated corporation:
If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* **400** G2

If your tax year is less than 51 weeks, calculate the amount of the expenditure limit as follows:
Amount F2 or G2 x Number of days in the tax year / 365 365 = ... H2

Your SR&ED expenditure limit for the year (enter amount F2, G2, or H2, whichever applies) **410**

* Amount F2 or G2 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less* . . . . **420** ________ x 35 % = ________ I2

Line 350 **minus** line 410 (if negative, enter "0") . . . . **430** ________ x 15 % = ________ J2

If a corporation makes a repayment of any government or non-government assistance, or contract payments that reduced the amount of qualified expenditures for ITC purposes, the amount of the repayment is eligible for a credit.

Repayments (amount from line 370 in Part 8) . . . . . ________

Enter the amount of the repayment on the line that corresponds to the appropriate rate.

Repayment of assistance that reduced a qualifying expenditure for a CCPC** . . . . **460** ________ x 35 % = ________ c

Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015 . . . **480** ________ x 20 % = ________ d

Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014 . . . . . **490** ________ x 15 % = ________ e

Subtotal (total of amounts c to e) ________ ▶ ________ K2

Current-year SR&ED ITC (total of amounts I2 to K2; enter on line 540 in Part 12) . . . . ________ L2

* For corporations that are not CCPCs, enter "0" for amount I2.

** If you were a Canadian-controlled private corporation (CCPC), this percentage was applied to the portion that you claimed of the SR&ED qualified expenditure pool that did not exceed your expenditure limit at the time. This percentage includes the rate under subsection 127(10.1), **Additions to investment tax credit**. See subsection 127(10.1) for details about exceptions. For expenditures not eligible for this rate use line 480 or 490 as appropriate.

Part 12 – Current-year credit and account balances – ITC from SR&ED expenditures

ITC at the end of the previous tax year . . . . ________ M2

Credit deemed as a remittance of co-op corporations . . . . **510** ________

Credit expired . . . . **515** ________

Subtotal (line 510 **plus** line 515) ________ ▶ ________ N2

ITC at the beginning of the tax year (amount M2 **minus** amount N2) . . . . **520** ________

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . **530** ________

Total current-year credit (from amount L2 in Part 11) . . . . **540** ________

Credit allocated from a partnership . . . . **550** ________

Subtotal (total of lines 530 to 550) ________ ▶ ________ O2

Total credit available (line 520 **plus** amount O2) . . . . ________ P2

Credit deducted from Part I tax . . . . **560** ________

Credit carried back to previous years (amount S2 in Part 13) . . . . ________ f

Credit transferred to offset Part VII tax liability . . . . **580** ________

Subtotal (total of line 560, amount f, and line 580) ________ ▶ ________ Q2

Credit balance before refund (amount P2 **minus** amount Q2) . . . . ________ R2

Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies) . . . . **610** ________

ITC closing balance on SR&ED (amount R2 **minus** line 610) . . . . **620** ________

Part 13 – Request for carryback of credit from SR&ED expenditures

	Year Month Day			
1st previous tax year		Credit to be applied	**911**	
2nd previous tax year		Credit to be applied	**912**	
3rd previous tax year		Credit to be applied	**913**	

Total of lines 911 to 913 ______ S2
Enter at amount f in Part 12.

Part 14 – Refund of ITC for qualifying corporations – SR&ED

Complete this part only if you are a qualifying corporation as determined on line 101 in Part 2.

Is the corporation an excluded corporation as defined under subsection 127.1(2)? **650** Yes ☐ No ☒

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount K2 in Part 11) ______ g

Refundable credits (amount g or amount R2 in Part 12, whichever is less)* ______ T2

Amount T2 or amount I2 in Part 11, whichever is less ______ U2

Net amount (amount T2 **minus** amount U2; if negative, enter "0") ______ V2

Amount V2 **multiplied** by 40 % ______ W2

Amount U2 ______ X2

Refund of ITC (amount W2 **plus** amount X2 – enter this, or a lesser amount, on line 610 in Part 12) ______ Y2
Enter the total of line 310 in Part 5 and line 610 in Part 12 on line 780 of the T2 return.

* If you are also an excluded corporation, as defined in subsection 127.1(2), this amount must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount Y2.

Part 15 – Refund of ITC for CCPCs that are not qualifying or excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying or excluded corporation as determined on line 101 in Part 2.

Credit balance before refund (amount R2 in Part 12) ______ Z2

Refund of ITC (amount Z2 or amount I2 in Part 11, whichever is less) ______ AA2
Enter amount AA2, or a lesser amount, on line 610 in Part 12 and also on line 780 of the T2 return.

Recapture – SR&ED

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED

You will have a recapture of ITC in a year when **all** of the following conditions are met:

- you acquired a particular property in the current year or in any of the 20 previous tax years, and the credit was earned in a tax year ending after 1997 and did not expire before 2008
- you claimed the cost of the property as a qualified expenditure for SR&ED on Form T661
- the cost of the property was included in calculating your ITC or was the subject of an agreement made under subsection 127(13) to transfer qualified expenditures
- you disposed of the property or converted it to commercial use after February 23, 1998. This condition is also met if you disposed of or converted to commercial use a property that incorporates the particular property previously referred to

Note:

The recapture **does not apply** if you disposed of the property to a non-arm's-length purchaser who intended to use it all or substantially all for SR&ED. When the non-arm's-length purchaser later sells or converts the property to commercial use, the recapture rules will apply to the purchaser based on the historical ITC rate of the original user.

You will report a recapture on the T2 return for the year in which you disposed of the property or converted it to commercial use. In the following tax year, add the amount of the ITC recapture to the SR&ED expenditure pool.

If you have more than one disposition for calculations 1 and 2, complete the columns for each disposition for which a recapture applies, using the calculation formats below.

Calculation 1 – If you meet all of the above conditions

Amount of ITC you originally calculated for the property you acquired, or the original user's ITC where you acquired the property from a non-arm's length party, as described in the **note** above 700	Amount calculated using ITC rate at the date of acquisition (or the original user's date of acquisition) on either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value of the property (in any other case) 710	Amount from column 700 or 710, whichever is less

Subtotal ______ A3
Enter at amount C3 in Part 17.

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount B3.

A Rate that the transferee used in determining its ITC for qualified expenditures under a subsection 127(13) agreement 720	B Proceeds of disposition of the property if you dispose of it to an arm's length person; or, in any other case, enter the fair market value of the property at conversion or disposition 730	C Amount, if any, already provided for in Calculation 1 (This allows for the situation where only part of the cost of a property is transferred under a subsection 127(13) agreement.) 740	D Amount determined by the formula (A x B) – C	E ITC earned by the transferee for the qualified expenditures that were transferred 750	F Amount from column D or E, whichever is less

Subtotal (total of column F) ______ B3
Enter at amount D3 in Part 17.

Part 16 – Recapture of ITC for corporations and partnerships – SR&ED (continued)

Calculation 3

As a member of the partnership, you will report your share of the SR&ED ITC of the partnership after the SR&ED ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 550 in Part 12. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 760.

Corporate partner's share of the excess of SR&ED ITC **760** ________
Enter at amount E3 in Part 17.

Part 17 – Total recapture of SR&ED investment tax credit

Recaptured ITC from calculation 1, amount A3 in Part 16 . . . . ________ C3

Recaptured ITC from calculation 2, amount B3 in Part 16 . . . . ________ D3

Recaptured ITC from calculation 3, line 760 in Part 16 . . . . ________ E3

Total recapture of SR&ED investment tax credit (total of amounts C3 to E3) . . . . ________ F3
Enter at amount A8 in Part 27.

Pre-Production Mining

Part 18 – Account balances – ITC from pre-production mining expenditures

ITC at the end of the previous tax year . . . . ________ A4

Credit deemed as a remittance of co-op corporations . . . . **841** ________

Credit expired . . . . **845** ________

Subtotal (line 841 **plus** line 845) ________ ► ________ B4

ITC at the beginning of the tax year (amount A4 **minus** amount B4) . . . . **850** ________

Credit transferred on an amalgamation or the wind-up of a subsidiary . . . . **860** ________

Total credit available (line 850 **plus** line 860) . . . . ________ C4

Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year . **885** ________

ITC closing balance from pre-production mining expenditures (amount C4 **minus** line 885) . . . . **890** ________

Apprenticeship Job Creation

Part 19 – Total current-year credit – ITC from apprenticeship job creation expenditures

If you are a related person as defined under subsection 251(2), has it been agreed in writing that you are the only employer who will be claiming the apprenticeship job creation tax credit for this tax year for each apprentice whose contract number (or social insurance number (SIN) or name) appears below? (If not, you cannot claim the tax credit.) . . . . **611** Yes ☒ No ☐

For each apprentice in their first 24 months of the apprenticeship, enter the apprenticeship contract number registered with Canada, or a province or territory, under an apprenticeship program designed to certify or license individuals in the trade. For the province, the trade must be a Red Seal trade. If there is no contract number, enter the SIN or the name of the eligible apprentice.

	A Contract number (SIN or name of apprentice) **601**	B Name of eligible trade **602**	C Eligible salary and wages* **603**	D Column C x 10 % **604**	E Lesser of column D or $ 2,000 **605**	
1.	SYS179932	Powerline Technician	18,904	1,890	1,890	
2.	SYS179937	Powerline Technician	18,993	1,899	1,899	
				Total current-year credit (total of column E) Enter on line 640 in Part 20.	3,789	A5

* Other than qualified expenditure incurred, and net of any other government or non-government assistance received or to be received. **Eligible salary and wages**, and **qualified expenditures** are defined under subsection 127(9).

Part 20 – Current-year credit and account balances – ITC from apprenticeship job creation expenditures

ITC at the end of the previous tax year					B5
Credit deemed as a remittance of co-op corporations	**612**				
Credit expired after 20 tax years	**615**				
Subtotal (line 612 **plus** line 615)			▶		C5
ITC at the beginning of the tax year (amount B5 **minus** amount C5)			**625**		
Credit transferred on an amalgamation or the wind-up of a subsidiary	**630**				
ITC from repayment of assistance	**635**				
Total current-year credit (amount A5 in Part 19)	**640**	3,789			
Credit allocated from a partnership	**655**				
Subtotal (total of lines 630 to 655)		3,789	▶	3,789	D5
Total credit available (line 625 **plus** amount D5)				3,789	E5
Credit deducted from Part I tax	**660**				
Credit carried back to previous years (amount G5 in Part 21)			h		
Subtotal (line 660 **plus** amount h)			▶		F5
ITC closing balance from apprenticeship job creation expenditures (amount E5 **minus** amount F5)			**690**	3,789	

Part 21 – Request for carryback of credit from apprenticeship job creation expenditures

	Year Month Day				
1st previous tax year		. . . . Credit to be applied	**931**		
2nd previous tax year		. . . . Credit to be applied	**932**		
3rd previous tax year		. . . . Credit to be applied	**933**		
		Total of lines 931 to 933 Enter at amount h in Part 20.			G5

Child Care Spaces

Part 22 – Eligible child care spaces expenditures

Enter the eligible expenditures that you incurred after March 18, 2007, and before March 22, 2017,* to create licensed child care spaces for the children of the employees and, potentially, for other children. You cannot be carrying on a child care services business. The eligible expenditures include:

- the cost of depreciable property (other than specified property)
- the specified child care start-up expenditures

Properties should be acquired and expenditures should be incurred only to create new child care spaces at a licensed child care facility.

Cost of depreciable property from the current tax year

	Capital cost allowance class number 665	Description of investment 675	Date available for use 685	Amount of investment 695
1.				

Total cost of depreciable property from the current tax year (total of column 695) **715** ________

Specified child care start-up expenditures from the current tax year . . . . . **705** ________

Total gross eligible expenditures for child care spaces (line 715 **plus** line 705) . . . . . ________ A6

Total of all assistance (including grants, subsidies, rebates, and forgivable loans) or reimbursements that the corporation has received or is entitled to receive in respect of the amounts referred to in amount A6 . . . . . **725** ________

Excess (amount A6 **minus** line 725) (if negative, enter "0") . . . . . ________ B6

Repayments by the corporation of government and non-government assistance . . . . . **735** ________

Total eligible expenditures for child care spaces (amount B6 **plus** line 735) . . . . . **745** ________

* If you entered into a written agreement before March 22, 2017, eligible expenditures incurred before 2020 will remain eligible for the credit.

Part 23 – Current-year credit – ITC from child care spaces expenditures

The credit is equal to 25% of eligible child care spaces expenditures incurred to a maximum of $10,000 per child care space created in a licensed child care facility.

Eligible expenditures (from line 745 in Part 22) . . . . . ________ x 25 % = ________ C6

Number of child care spaces created in the year . . . . . **755** ________ x $ 10,000 = ________ D6

ITC from child care spaces expenditures (amount C6 or D6, whichever is less) . . . . . ________ E6

Part 24 – Current-year credit and account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				F6
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			▶	G6
ITC at the beginning of the tax year (amount F6 **minus** amount G6)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Total current-year credit (amount E6 in Part 23)	780			
Credit allocated from a partnership	782			
Subtotal (total of lines 777 to 782)			▶	H6
Total credit available (line 775 **plus** amount H6)				I6
Credit deducted from Part I tax	785			
Credit carried back to previous years (amount K6 in Part 25)			i	
Subtotal (line 785 **plus** amount i)			▶	J6
ITC closing balance from child care spaces expenditures (amount I6 **minus** amount J6)			790	

Part 25 – Request for carryback of credit from child care space expenditures

	Year Month Day			
1st previous tax year	2020-12-31	Credit to be applied	941	
2nd previous tax year	2019-12-31	Credit to be applied	942	
3rd previous tax year	2018-12-31	Credit to be applied	943	
		Total of lines 941 to 943 Enter at amount i in Part 24.		K6

Recapture – Child Care Spaces

Part 26 – Recapture of ITC for corporations and partnerships – Child care spaces

The ITC will be added to the taxpayer's tax otherwise payable under Part I of the Act if, at any time within 60 months of the day on which the taxpayer acquired the property, one of the following situations takes place:

- the new child care space is no longer available
- property that was an eligible expenditure for the child care space is
  - disposed of or leased to a lessee
  - converted to another use

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a)) . . . . **792** ______

In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:

The amount that can reasonably be considered to have been included in the original ITC . . . **795** ______

25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property . . . . **797** ______

Amount from line 795 or line 797, whichever is less . . . . ______ A7

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 24. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC **799** ______

Total recapture of child care spaces investment tax credit (total of line 792, amount A7, and line 799) . . . . ______ B7
Enter at amount B8 in Part 27.

Summary of Investment Tax Credits

Part 27 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount F3 in Part 17) . . . . ______ A8

Recaptured child care spaces ITC (amount B7 in Part 26) . . . . ______ B8

Total recapture of investment tax credit (amount A8 **plus** amount B8) . . . . ______ C8
Enter on line 602 of the T2 return.

Part 28 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5) . . . . ______ D8

ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12) . . . . ______ E8

ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18) . . . . ______ F8

ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20) . . . . ______ G8

ITC from child care space expenditures deducted from Part I tax (line 785 in Part 24) . . . . ______ H8

Total ITC deducted from Part I tax (total of amounts D8 to H8) . . . . ______ I8
Enter on line 652 of the T2 return.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
3,789				3,789

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)	
2020-12-31					
2019-12-31					
2018-12-31					
2017-12-31					
2016-12-31					
2015-12-31					
2014-12-31					
2013-12-31					
2012-12-31					
2011-12-31					*
2010-12-31					
2009-12-31					
2008-12-31					
2007-12-31					
2006-12-31					
2005-12-31					
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					*
Total					

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 10th preceding year if it is before January 1, 1998, or the amount of ITC expired from the 20th preceding year if it is after December 31, 1997. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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	18,022,105		
Retained earnings	104	25,878,021		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	50,978,488		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	138,396		
Any dividends declared but not paid by the corporation before the end of the year	110	1,241,722		
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)		96,258,732 ▶	96,258,732	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)			96,258,732	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	96,258,732	

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	449,564
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	449,564

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)		96,258,732	C
Deduct: Investment allowance for the year (line 490)		449,564	D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	95,809,168	

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) 95,809,168 x $\frac{\text{Taxable income earned in Canada}}{\text{Taxable income}}$ **610** $\frac{1{,}000}{1{,}000}$ = **Taxable capital employed in Canada** **690** 95,809,168

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

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

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

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

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

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

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title LCT - Loans and advances

Description	Operator (Note)	Amount	
Due to related parties		7,250,092	00
LT debt - current portion	+	1,000,000	00
Deposits - current	+	3,976,256	00
LT debt	+	23,710,940	00
Post-employment benefits	+	13,156,064	00
Customer deposits	+	1,885,136	00
	Total	50,978,488	00

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

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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	Bluewater Power Corporation	892470410RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2021-12-31

Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		1,353,801			
Total taxable dividends paid in the tax year	100	1,353,801			
Total eligible dividends paid in the tax year			150		
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160		
Excessive eligible dividend designation (line 150 **minus** line 160)					A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180		
Subtotal (amount A **minus** line 180)					B
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B **multiplied** by 20 %)			190		

Enter the amount from line 190 on line 710 of the T2 return.

Part 2 – Other corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3					
Total taxable dividends paid in the tax year	200				
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54)					C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			280		
Subtotal (amount C **minus** line 280)					D
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount D **multiplied** by 20 %)			290		

Enter the amount from line 290 on line 710 of the T2 return.

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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**	115,197,687
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**	78,939,012
Total assets (total of lines 112 to 116)		194,136,699
Total revenue of the corporation for the tax year **	**142**	121,156,435
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**	21,183,476
Total revenue (total of lines 142 to 146)		142,339,911

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	4,732,340	
Add (to the extent reflected in income/loss):					
Provision for current income taxes/cost of current income taxes	220	683,000			
Provision for deferred income taxes (debits)/cost of future income taxes	222				
Equity losses from corporations	224				
Financial statement loss from partnerships and joint ventures	226				
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230				
Other additions (see note below):					
Share of adjusted net income of partnerships and joint ventures **	228				
Total patronage dividends received, not already included in net income/loss	232				
281	282				
283	284				
Subtotal		683,000 ►		683,000	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	5,415,340	

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** 5,415,340

Deduct:

CMT loss available (amount R from Part 7) . . . .

Minus: Adjustment for an acquisition of control * **518**

Adjusted CMT loss available . . . . ▶ C

Net income subject to CMT calculation (if negative, enter "0") **520** 5,415,340

Amount from line 520	5,415,340	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	5,415,340	x	Number of days in the tax year after June 30, 2010 / Number of days in the tax year	365 / 365	x	2.7 % =	146,214	2

Subtotal (amount 1 **plus** amount 2) 146,214 3

Gross CMT: amount on line 3 above x OAF ** **540** 146,214

Deduct:

Foreign tax credit for CMT purposes *** **550**

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") . . . . 146,214 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 * .... G

Deduct:

CMT credit expired * **600**

CMT credit carryforward at the beginning of the current tax year * (see note below) .... ► **620**

Add:

CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below) **650**

CMT credit available for the tax year (amount on line 620 **plus** amount on line 650) .... H

Deduct:

CMT credit deducted in the current tax year (amount P from Part 5) I

Subtotal (amount H **minus** amount I) J

Add:

Net CMT payable (amount E from Part 3) ....

SAT payable (amount O from Part 6 of Schedule 512) ....

Subtotal ► K

CMT credit carryforward at the end of the tax year (amount J **plus** amount K) .... **670** L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:
  - do not enter an amount on line G or line 600;
  - for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4) .... M

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) 1

For a corporation that is not a life insurance corporation:

CMT after foreign tax credit deduction (amount D from Part 3) .. 146,214 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: 146,214 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 * . . . . _______ Q

Deduct:

CMT loss expired * . . . . **700** _______

CMT loss carryforward at the beginning of the tax year * (see note below) . . . . _______ ▶ **720** _______

Add:

CMT loss transferred on an amalgamation under section 87 of the federal Act ** (see note below) . . . . **750** _______

CMT loss available (line 720 **plus** line 750) . . . . _______ R

Deduct:

CMT loss deducted against adjusted net income for the tax year (lesser of line 490 (if positive) and line C in Part 3) . . . . _______

Subtotal (if negative, enter "0") _______ S

Add:

Adjusted net loss for CMT purposes (amount from line 490 in Part 2, if **negative**) (enter as a positive amount) . . . . **760** _______

CMT loss carryforward balance at the end of the tax year (amount S **plus** line 760) . . . . **770** _______ T

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line Q or line 700;
- for line 720, enter the amount from line 2214 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

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

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

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

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

Complete this part if:

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

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

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

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

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

Canada Revenue Agency Agence du revenu du Canada

SCHEDULE 511

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

Name of corporation	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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	Bluewater Power Corporation	89247 0410 RC0001	[redacted]	[redacted]
2	Bluewater Power Renewable Energy Inc	85839 3556 RC0002	[redacted]	[redacted]
3	Bluewater Power Services Corporation	89255 8214 RC0001	[redacted]	[redacted]
4	Bluewater Regional Networks Inc.	78504 1328 RC0001	[redacted]	[redacted]
5	Electek Power Services Inc.	86220 1712 RC0002	[redacted]	[redacted]
6	Sarnia Power Corporation	89252 3812 RC0001	[redacted]	[redacted]
7	Unconquered Sun Solar Technologies Inc.	80482 8853 RC0002	[redacted]	[redacted]
		Total	450 [redacted]	550 [redacted]

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.

BLUEWATER POWER DISTRIBUTION CORPORATION

ATTACHMENT 6 – 2

NOTICES OF ASSESSMENTS

2013 TO 2021

EB-2022-0016

Ontario

Ministry of Finance
33 King St W
PO Box 622
Oshawa ON L1H 8H6

HPL - tL059

000002

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST
PO BOX 2140 MAIN
SARNIA ON N7T 7L6

Issue Date	09-Jun-2014
Business No.	865727390TW0001
Reference No.	L0804838464

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2013	**Return As Filed**
Total Federal Tax	$239,497.00
Total Ontario Tax	$185,865.00
Total Credits	($38,128.00)
Loss Carry-back	$0.00
Total Tax Payable	$387,234.00
Interest	$0.00
Current Penalty	$0.00
Credits/Payments	($387,234.00)
Total Assessment	**$0.00**

As of 09-Jun-2014, including the amount assessed above, you have an overall credit balance on your account of ($277,147.00).

If you have any questions concerning this Notice of Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this assessment you have the right to file a Notice of Objection with the Objections and Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

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Ontario

Ministry of Finance
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Oshawa ON L1H 8H6

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0000003

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	24-Jun-2015
Business No.	865727390TW0001
Reference No.	L0127579712

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2014	**Return As Filed**
Total Federal Tax	$530,294.00
Total Ontario Tax	$409,626.00
Total Credits	($34,108.00)
Loss Carry-back	$0.00
Total Tax Payable	$905,812.00
Interest	$91.84
Current Penalty	$0.00
Credits/Payments	($905,903.84)
Total Assessment	**$0.00**

As of 24-Jun-2015, including the amount assessed above, you have an overall credit balance on your account of ($1,330.16).

If you have any questions concerning this Notice of Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this assessment you have the right to file a Notice of Objection with the Objections and Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

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BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	04-Jul-2016
Business No.	865727390TW0001
Reference No.	L1192203584

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2015	**Return As Filed**
Total Federal Tax	$531,364.00
Total Ontario Tax	$409,616.00
Total Credits	($35,189.00)
Loss Carry-back	$0.00
Total Tax Payable	$905,791.00
Interest	$570.17
Current Penalty	$0.00
Credits/Payments	($905,812.00)
Total Assessment	**$549.17**

As of 04-Jul-2016, including the amount assessed above, you have an overall balance on your account of $549.17.

If you have any questions concerning this Notice of Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this assessment you have the right to file a Notice of Objection with the Objections and Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

Enclosure

MM03 0183C (2014-02)

Ministry use only

Enquiries 1 866 ONT-TAXS
1 866 668-8297

Fax 1 866 888-3850

Teletypewriter (TTY) 1 800 263-7776
Internet **ontario.ca/finance**

Ontario
Ministry of Finance
33 King St W
PO Box 622
Oshawa ON L1H 8H6

HPL - tL059
000053
BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	04-Jul-2017
Business No.	865727390TW0001
Reference No.	L2068863808

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2016	**Return As Filed**
Total Federal Tax	$224,078.00
Total Ontario Tax	$173,327.00
Total Credits	($48,284.00)
Loss Carry-back	$0.00
Total Tax Payable	$349,121.00
Interest	$0.00
Current Penalty	$0.00
Credits/Payments	($349,121.00)
Total Assessment	**$0.00**

As of 04-Jul-2017, including the amount assessed above, you have an overall credit balance on your account of ($556,169.00).

If you have any questions concerning this Notice of Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this assessment you have the right to file a Notice of Objection with the Objections and Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

MM03 0183C (2014-02)

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Ministry of Finance
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PO Box 622
Oshawa ON L1H 8H6

HPL - tL059

000003

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	18-Jun-2018
Business No.	865727390TW0001
Reference No	L2018011328

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2017	**Return As Filed**
Total Federal Tax	$116,643.00
Total Ontario Tax	$90,959.00
Total Credits	($48,053.00)
Loss Carry-back	$0.00
Total Tax Payable	$159,549.00
Interest	$2.19
Current Penalty	$0.00
Credits/Payments	($159,551.19)
Total Assessment	**$0.00**

As of 18-Jun-2018, including the amount assessed above, you have an overall credit balance on your account of ($893,436.81).

If you have any questions concerning this Notice of Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this assessment you have the right to file a Notice of Objection with the Objections and Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

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Oshawa ON L1H 8H6

HPL - tL059

000003

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	05-Jun-2019
Business No.	865727390TW0001
Reference No.	L2017350336

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2018	**Return As Filed**
Total Federal Tax	$230,340.00
Total Ontario Tax	$178,128.00
Total Credits	($21,192.00)
Loss Carry-back	$0.00
Total Tax Payable	$387,276.00
Interest	$0.00
Current Penalty	$0.00
Credits/Payments	($387,276.00)
Total Assessment	**$0.00**

As of 05-Jun-2019, including the amount assessed above, you have an overall credit balance on your account of ($273,005.39).

If you have any questions concerning this Notice of Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this assessment you have the right to file a Notice of Objection with the Objections and Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

MM03 0183C (2014-02)

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Oshawa ON L1H 8H6

HPL - 1L059

000015

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	02-Jul-2020
Business No.	865727390TW0001
Reference No.	L1180271040

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2019	**Return As Filed**
Total Federal Tax	$314,028.00
Total Ontario Tax	$242,288.00
Total Credits	($18,208.00)
Loss Carry-back	$0.00
Total Tax Payable	$538,108.00
Interest	$491.23
Current Penalty	$0.00
Credits/Payments	($538,530.63)
Total Assessment	**$68.60**

As of 02-Jul-2020, including the amount assessed above, you have an overall balance on your account of $83,453.48.

If you have any questions concerning this Notice of Assessment, please call the number listed below. After discussion with a ministry representative, if you still do not agree with this assessment you have the right to file a Notice of Objection with the Objections and Appeals Branch within 180 days of the issue date of this form. Any taxes, interest and penalties that are outstanding as a result of the assessment are due and payable even if you have filed, or intend to file, a Notice of Objection.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

Enclosure

MM03 0183C (2014-02)

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Ontario

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33 King St W
PO Box 622
Oshawa ON L1H 8H6

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000024

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	22-Jul-2021
Business No.	865727390TW0001
Reference No.	L0933027264

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2020	**Return As Filed**
Federal Payment in Lieu	$437,530.00
Ontario Payment in Lieu	$335,440.00
Total Credits	($1,298.00)
Total Hydro Payments in Lieu	$771,672.00
Loss Carry-Back	$0.00
Net Interest	($191.81)
Penalty	$0.00
Total Assessment	**$771,480.19**
Payments/Credits	($775,415.00)
Additional Transactions (Refunds, Transfers, etc)	$0.00
Balance for Taxation Year	**($3,934.81)**

As of 22-Jul-2021, including the amount assessed above, you have an overall credit balance on your account of ($3,934.81).

Ministry use only

Ontario
Ministry of Finance
33 King St W
PO Box 622
Oshawa ON L1H 8H6

HPL - 1L059

000055

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	04-Jul-2022
Business No.	865727390TW0001
Reference No.	L1654187968

Notice of Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

Your account has been assessed resulting in a balance as indicated below.

Period Ending: 31-Dec-2021	**Return As Filed**
Federal Payment in Lieu	$381,291.00
Ontario Payment in Lieu	$295,227.00
Total Credits	($7,607.00)
Total Hydro Payments in Lieu	$668,911.00
Loss Carry-Back	$0.00
Net Interest	$151.72
Penalty	$0.00
Total Assessment	**$669,062.72**
Payments/Credits	($771,672.00)
Additional Transactions (Refunds, Transfers, etc)	$102,609.28
Balance for Taxation Year	**$0.00**

As of 04-Jul-2022, including the amount assessed above, you have an overall credit balance on your account of ($466,555.09).

MM03 0183C (2014-02)

Ministry use only

BLUEWATER POWER
DISTRIBUTION CORPORATION

ATTACHMENT 6 – 3

NOTICES OF REASSESSMENTS

2014 TO 2017

EB-2022-0016

Ontario
Ministry of Finance
33 King St W
PO Box 622
Oshawa ON L1H 8H6

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000005

HPL - IL060

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	18-Jun-2020
Business No.	865727390TW0001
Reference No.	L2102526400

Audit Notice of Re-Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

An audit re-assessment has been processed to your account as indicated below:

Audit Period: 31-Dec-2014

	Previous	**Revised**
Total Federal Tax	$530,294.00	$616,139.00
Total Ontario Tax	$409,626.00	$473,906.00
Total Credits	($34,108.00)	($34,108.00)
Loss Carry-back	$0.00	$0.00
Total Tax Payable	$905,812.00	$1,055,937.00
Interest		$45,797.90
Current Penalty		$0.00
Credits/Payments		($1,101,734.90)
Total Assessment		**$0.00**

$150,125

As of 18-Jun-2020, including the amount assessed above, you have an overall balance on your account of $438,665.58.

If you have any questions concerning this Notice of Re-Assessment, please call the number listed below. After discussion with a ministry representative, if you do not agree with the re-assessment you have the right to serve a Notice of Objection on the minister within 180 days of the mailing date of this form. Any amounts that are outstanding as a result of the re-assessment are due and payable even if you have filed, or intend to file, a Notice of Objection. If your objection is successful, you will be refunded any overpayment of taxes with interest from the dates the payments were made.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

Enclosure

Ministry use only

Enquiries 1 866 ONT-TAXS
1 866 668-8297
Fax 1 866 888-3850
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Internet ontario.ca/finance

Ministry of Finance
Tax Compliance and Benefits Division

Compliance Branch

33 King Street West
PO Box 627
Oshawa ON L1H 8H5
Telephone: 1-866-668-8297
Facsimile: 905 433-5666

Ministère des Finances
Division de l'observation fiscale et des avantages fiscaux

Direction de l'observation fiscale

33, rue King Ouest
CP 627
Oshawa ON L1H 8H5
Téléphone : 1-866-668-8297
Télécopieur : 905 433-5666

Ontario

	Account Number / N° de compte **865727390TW0001**
Name of Corporation / Raison sociale de la **BlueWater Power Dist Corporation**	**Taxation Year End / Fin de l'année d'imposition** **December 31 2014**

Statement of Adjustments re Taxes Assessed

Taxable Income as previously assessed		$3,561,961	
Add: Disallowed CCA on Reclass Smart Meters		226,743	
Disallowed Meals & Entertainment		825	
Disallowed Capital Items		421,299	
Disallowed CEC		4,087	
Deduct: CCA on Capital Items		(16,140)	
Error Professional Fees added		(77,850)	
Revised Federal and Provincial Taxable Income		$4,120,925	
Federal Income Tax			
Basic Part 1 Tax @ 38%		$1,565,952	
Less: Federal Tax Abatement @ 10%	$ 412,093		
General Tax Reduction @ 13%	535,720		
Apprenticeship Job Creation Tax Credit	2,000		
		(949,813)	
Federal Income Tax Payable			$ 616,139
Ontario Income Tax			
Ontario basic income tax payable @ 11.50%		$ 473,906	
Less: Co-operative Education Tax Credit	7,971		
Apprenticeship Training Tax Credit	26,137	(34,108)	
Ontario Income Tax Payable			$439,798
Total Payments in Lieu of Taxes			$1,055,937

Ontario
Ministry of Finance
33 King St W
PO Box 622
Oshawa ON L1H 8H6

HPL - tL060
BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Issue Date	22-Jun-2020
Business No.	865727390TW0001
Reference No.	L0147063232

Audit Notice of Re-Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

An audit re-assessment has been processed to your account as indicated below:

Audit Period: 31-Dec-2015

	Previous	Revised	
Total Federal Tax	$531,364.00	$753,404.00	
Total Ontario Tax	$409,616.00	$579,144.00	
Total Credits	($35,189.00)	($34,527.00)	
Loss Carry-back	$0.00	$0.00	
Total Tax Payable	$905,791.00	$1,298,021.00	$392,230
Interest		$117,446.87	
Current Penalty		$0.00	
Credits/Payments		($1,332,556.77)	
Total Assessment		**$82,911.10**	

As of 22-Jun-2020, including the amount assessed above, you have an overall balance on your account of $82,911.10.

If you have any questions concerning this Notice of Re-Assessment, please call the number listed below. After discussion with a ministry representative, if you do not agree with the re-assessment you have the right to serve a Notice of Objection on the minister within 180 days of the mailing date of this form. Any amounts that are outstanding as a result of the re-assessment are due and payable even if you have filed, or intend to file, a Notice of Objection. If your objection is successful, you will be refunded any overpayment of taxes with interest from the dates the payments were made.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

Enclosure

MM03 0183C (2014-02)

Ministry use only

Enquiries	1 866 ONT-TAXS 1 866 668-8297	Fax 1 866 888-3850	Teletypewriter (TTY) Internet	1 800 263-7776 **ontario.ca/finance**

Ministry of Finance
Tax Compliance and Benefits Division

Compliance Branch

33 King Street West
PO Box 627
Oshawa ON L1H 8H5
Telephone: 1-866-668-8297
Facsimile: 905 433-5666

Ministère des Finances
Division de l'observation fiscale et des avantages fiscaux

Direction de l'observation fiscale

33, rue King Ouest
CP 627
Oshawa ON L1H 8H5
Téléphone : 1-866-668-8297
Télécopieur : 905 433-5666

Ontario

	Account Number / Nº de compte **865727390TW0001**
Name of Corporation / Raison sociale de la **BlueWater Power Dist Corporation**	**Taxation Year End / Fin de l'année d'imposition** **December 31 2015**

Statement of Adjustments re Taxes Assessed

Taxable Income as previously assessed		$3,561,881	
Add: Disallowed CCA on Reclass Smart Meters		163,255	
Disallowed Meals & Entertainment		925	
Disallowed Capital Items		1,392,920	
Disallowed CEC		3,801	
Deduct: CCA on Capital Items		(86,747)	
Revised Federal and Provincial Taxable Income		$5,036,035	
Federal Income Tax			
Basic Part 1 Tax @ 38%		$1,913,693	
Less: Federal Tax Abatement @ 10%	$ 503,604		
General Tax Reduction @ 13%	654,685		
Apprenticeship Job Creation Tax Credit	2,000		
		(1,160,289)	
Federal Income Tax Payable			$ 753,404
Ontario Income Tax			
Ontario basic income tax payable @ 11.50%		$ 579,144	
Less: Co-operative Education Tax Credit	1,843		
Apprenticeship Training Tax Credit	32,684	(34,527)	
Ontario Income Tax Payable			$544,617
Total Payments in Lieu of Taxes			$1,298,021

Ontario
Ministry of Finance
33 King St W
PO Box 622
Oshawa ON L1H 8H6

HPL - tL080

Issue Date	15-Sep-2020
Business No.	865727390TW0001
Reference No.	L0926896576A

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Audit Notice of Re-Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

An audit re-assessment has been processed to your account as indicated below:

Audit Period: 31-Dec-2016

	Previous	**Revised**	
Total Federal Tax	$224,078.00	$503,764.00	
Total Ontario Tax	$173,327.00	$387,752.00	
Total Credits	($48,284.00)	($48,284.00)	
Loss Carry-back	$0.00	$0.00	
Total Tax Payable	$349,121.00	$843,232.00	$494,111
Interest		$113,277.04	
Current Penalty		$0.00	
Credits/Payments		($349,121.00)	
Total Assessment		**$607,388.04**	

As of 15-Sep-2020, including the amount assessed above, you have an overall balance on your account of $607,388.04.

If you have any questions concerning this Notice of Re-Assessment, please call the number listed below. After discussion with a ministry representative, if you do not agree with the re-assessment you have the right to serve a Notice of Objection on the minister within 180 days of the mailing date of this form. Any amounts that are outstanding as a result of the re-assessment are due and payable even if you have filed, or intend to file, a Notice of Objection. If your objection is successful, you will be refunded any overpayment of taxes with interest from the dates the payments were made.

If you have any questions or require additional information, please visit our website or call the Ministry of Finance at the number listed below.

Enquiries 1 866 ONT-TAXS
1 866 668-8297
Fax 1 866 888-3850
Teletypewriter (TTY) 1 800 263-7776
Internet ontario.ca/finance

Ministry of Finance
Tax Compliance and Benefits Division

Compliance Branch

33 King Street West
PO Box 627
Oshawa ON L1H 8H5
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Ministère des Finances
Division de l'observation fiscale et des avantages fiscaux

Direction de l'observation fiscale

33, rue King Ouest
CP 627
Oshawa ON L1H 8H5
Téléphone : 1-866-668-8297
Télécopieur : 905 433-5666

Ontario

	Account Number / Nº de compte **865727390TW0001**
Name of Corporation / Raison sociale de la **BlueWater Power Dist Corporation**	**Taxation Year End / Fin de l'année d'imposition** **December 31 2016**

Statement of Adjustments re Taxes Assessed

Taxable Income as previously assessed		$1,507,189	
Add: Disallowed CCA on Reclass Smart Meters		113,916	
Disallowed Meals & Entertainment		1,000	
Disallowed Capital Items		1,960,129	
Disallowed CCEC		3,535	
Deduct: CCA on Capital Items		(214,012)	
Revised Federal and Provincial Taxable Income		$3,371,757	
Federal Income Tax			
Basic Part 1 Tax @ 38%		$1,281,268	
Less: Federal Tax Abatement @ 10%	$ 337,176		
General Tax Reduction @ 13%	438,328		
Apprentice Credit	2,000		
		(777,504)	
Federal Income Tax Payable			$ 503,764
Ontario Income Tax			
Ontario basic income tax payable @ 11.50%		$ 387,752	
Less: Co-operative Education Tax Credit	11,399		
Apprenticeship Training Tax Credit	36,885	(48,284)	
Ontario Income Tax Payable			$339,468
Total Payments in Lieu of Taxes			$843,232

Ontario
Ministry of Finance
33 King St W
PO Box 622
Oshawa ON L1H 8H6

Issue Date	14-Jun-2022
Business No.	865727390TW0001
Reference No.	L0670345152

HPL - IL060

BLUEWATER POWER DISTRIBUTION CORPORATION
ATTENTION: C/O JANICE MCMICHAEL-DENNIS
855 CONFEDERATION ST MAIN
PO BOX 2140 STN MAIN
SARNIA ON N7T 7L6

Audit Notice of Re-Assessment - Hydro Payment in Lieu

Electricity Act, 1998, Corporations Tax Act

An audit re-assessment has been processed to your account as indicated below:

Audit Period: 31-Dec-2017	**Previous**	**Revised**
Federal Payment in Lieu	$116,643.00	$480,918.00
Ontario Payment in Lieu	$90,959.00	$370,238.00
Total Credits	($48,053.00)	($48,053.00)
Total Hydro Payments in Lieu	$159,549.00	$803,103.00
Loss Carry-Back	$0.00	$0.00
Net Interest		$133,549.58
Current Penalty		$0.00
Total Assessment		**$936,652.58**
Payments/Credits		($1,602,988.00)
Additional Transactions (Refunds, Transfers, etc)		$893,436.81
Balance for Taxation Year		**$227,101.39**

As of 14-Jun-2022, including the amount assessed above, you have an overall credit balance on your account of ($372,898.61).

Ministry use only

Ministry of Finance
Tax Compliance and Benefits Division

Compliance Branch

5 Park Home Ave, 2nd Floor
North York ON M2N 6W8
Telephone: 1-866 ONT TAXS

Ministère des Finances
Division de l'observation fiscale et des avantages fiscaux

Direction de l'observation fiscale

Bureau 200-5, Ave Park Home
North York ON M2N 6W8
Téléphone : 1-866 ONT TAXS

Ontario

Account Number / Nº de compte
865727390TW0001

Name of Corporation / Raison sociale de la
Bluewater Power Distribution Corporation

Taxation Year End / Fin de l'année d'imposition
December 31 2017

Statement of Adjustments re Taxes Assessed

Taxable Income as previously assessed		$ 790,952	
Add: Disallowed CCA on Reclass Smart Meters		75,780	
Disallowed Meals & Entertainment		1,900	
Disallowed Capital Expenditures		1,997,497	
Disallowed CCA Class 14.1		3,288	
Disallowed Interest on Municipal Notes		424,369	
Disallowed Allowance for Doubtful Accounts		290,000	
Deduct: CCA on Capital Expenditures		79,729	
CCA on Capital Expend prior period 2014 to 2016		275,374	
CCA on Reclassification Disposals		9,224	
Revised Federal and Provincial Taxable Income		$3,219,459	
Federal Income Tax			
Basic Part 1 Tax @ 38%		$ 1,223,394	
Less: Federal Tax Abatement @ 10%	$ 321,946		
General Tax Reduction @ 13%	418,530		
Federal Apprenticeship Credit	2,000		
		(742,476)	
Federal Income Tax Payable			$ 480,918
Ontario Income Tax			
Ontario basic income tax payable @ 11.50%		$ 370,238	
Less: Apprenticeship Training Tax Credit	29,082		
Coop Education Tax Credit	18,971	(48,053)	
Ontario Income Tax Payable			$322,185
Total Payments in Lieu of Taxes			$ 803,103

BLUEWATER POWER DISTRIBUTION CORPORATION

ATTACHMENT 6 – 4

2013 TO 2021 – ORIGINAL FILED

SCHEDULE 8 (CCA)

EB-2022-0016

Canada Revenue Agency   Agence du revenu du Canada

SCHEDULE 8

CAPITAL COST ALLOWANCE (CCA)

Name of corporation	Business Number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2013-12-31

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** 1 Yes ☐ 2 No ☒

	1 Class number (See Note) 200	Description	2 Undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of last year) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Net adjustments** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate % **** 212	9 Recapture of capital cost allowance (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ***** 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1		15,983,268			0		15,983,268	4	0	0	639,331	15,343,937
2.	1b		1,775,243	573,312		0	286,656	2,061,899	6	0	0	123,714	2,224,841
3.	2		9,283,045			0		9,283,045	6	0	0	556,983	8,726,062
4.	8		4,053,534	205,443		150	102,647	4,156,180	20	0	0	831,236	3,427,591
5.	10		1,360,621	430,500		38,407	196,047	1,556,667	30	0	0	467,000	1,285,714
6.	12		892,268	907,902		0	453,951	1,346,219	100	0	0	1,346,219	453,951
7.	17	Parking Lot	32,795			0		32,795	8	0	0	2,624	30,171
8.	45		7,855			0		7,855	45	0	0	3,535	4,320
9.	46		198,346			0		198,346	30	0	0	59,504	138,842
10.	47		10,485,356	1,506,735		446,623	530,056	11,015,412	8	0	0	881,233	10,664,235
11.	50		679,043	536,991		1,620	267,686	946,728	55	0	0	520,700	693,714
12.	95		1,340,278	1,247,052		1,340,278		1,247,052	0	0	0		1,247,052
		Totals	46,091,652	5,407,935		1,827,078	1,837,043	47,835,466				5,432,079	44,240,430

Canada Revenue Agency   Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2014-12-31

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** 1 Yes ☐ 2 No ☒

	1 Class number (See Note) 200	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Adjustments and transfers** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate % **** 212	9 Recapture of capital cost allowance***** (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ****** 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1		15,343,937			0		15,343,937	4	0	0	613,757	14,730,180
2.	1b		2,224,841	29,364		0	14,682	2,239,523	6	0	0	134,371	2,119,834
3.	2		8,726,062			0		8,726,062	6	0	0	523,564	8,202,498
4.	8		3,427,591	210,193		427	104,883	3,532,474	20	0	0	706,495	2,930,862
5.	10		1,285,714	63,300		8,171	27,565	1,313,278	30	0	0	393,983	946,860
6.	12		453,951	542,450		0	271,225	725,176	100	0	0	725,176	271,225
7.	17	Parking Lot	30,171			0		30,171	8	0	0	2,414	27,757
8.	45		4,320			0		4,320	45	0	0	1,944	2,376
9.	46		138,842			0		138,842	30	0	0	41,653	97,189
10.	47		10,664,235	2,042,383		801,043	620,670	11,284,905	8	0	0	902,792	11,002,783
11.	50		693,714	751,769		0	375,885	1,069,598	55	0	0	588,279	857,204
12.	95		1,247,052	1,286,018		1,247,052	19,483	1,266,535	0	0	0		1,286,018
		Totals	44,240,430	4,925,477		2,056,693	1,434,393	45,674,821				4,634,428	42,474,786

Canada Revenue Agency Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2015-12-31

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** 1 Yes ☐ 2 No ☒

	1 Class number (See Note) 200	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) 201	3 Cost of acquisitions during the year (new property must be available for use)* 203	4 Adjustments and transfers** 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)*** 211	7 Reduced undepreciated capital cost	8 CCA rate % **** 212	9 Recapture of capital cost allowance***** (line 107 of Schedule 1) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ****** 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1		14,730,180	53,171		0	26,586	14,756,765	4	0	0	590,271	14,193,080
2.	1b		2,119,834	322,217		0	161,109	2,280,942	6	0	0	136,857	2,305,194
3.	2		8,202,498			0		8,202,498	6	0	0	492,150	7,710,348
4.	8		2,930,862	84,155		0	42,078	2,972,939	20	0	0	594,588	2,420,429
5.	10		946,860	136,157		0	68,079	1,014,938	30	0	0	304,481	778,536
6.	12		271,225	461,472		0	230,736	501,961	100	0	0	501,961	230,736
7.	17	Parking Lot	27,757			0		27,757	8	0	0	2,221	25,536
8.	45		2,376			0		2,376	45	0	0	1,069	1,307
9.	46		97,189			0		97,189	30	0	0	29,157	68,032
10.	47		11,002,783	3,259,304		999,795	1,129,755	12,132,537	8	0	0	970,603	12,291,689
11.	50		857,204	506,351		0	253,176	1,110,379	55	0	0	610,708	752,847
12.	95		1,286,018	1,302,986		1,286,018	8,484	1,294,502	0	0	0		1,302,986
		Totals	42,474,786	6,125,813		2,285,813	1,920,003	44,394,783				4,234,066	42,080,720

Canada Revenue Agency Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business Number	Tax year end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2016-12-31

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** 1 Yes ☐ 2 No ☒

	1 Class number (See Note)	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use)*	4 Adjustments and transfers**	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)***	7 Reduced undepreciated capital cost	8 CCA rate % ****	9 Recapture of capital cost allowance***** (line 107 of Schedule 1)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) ******	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11)
	200		201	203	205	207	211		212	213	215	217	220
1.	1		14,193,080	109,510		0	54,755	14,247,835	4	0	0	569,913	13,732,677
2.	1b		2,305,194	58,071		0	29,036	2,334,229	6	0	0	140,054	2,223,211
3.	2		7,710,348			0		7,710,348	6	0	0	462,621	7,247,727
4.	8		2,420,429	245,943		0	122,972	2,543,400	20	0	0	508,680	2,157,692
5.	10		778,536	571,466		27,122	272,172	1,050,708	30	0	0	315,212	1,007,668
6.	12		230,736	581,912		0	290,956	521,692	100	0	0	521,692	290,956
7.	17	Parking Lot	25,536			0		25,536	8	0	0	2,043	23,493
8.	45		1,307			0		1,307	45	0	0	588	719
9.	46		68,032			0		68,032	30	0	0	20,410	47,622
10.	47		12,291,689	3,215,181		229,256	1,492,963	13,784,651	8	0	0	1,102,772	14,174,842
11.	50		752,847	989,775		0	494,888	1,247,734	55	0	0	686,254	1,056,368
12.	95		1,302,986	1,063,032		1,302,986		1,063,032	0	0	0		1,063,032
		Totals	42,080,720	6,834,890		1,559,364	2,757,742	44,598,504				4,330,239	43,026,007

Canada Revenue Agency   Agence du revenu du Canada

Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2017-12-31

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

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

	1 Class number * 200	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8) 201	3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below) 203	4 Adjustments and transfers (see note 2 below) 205	5 Proceeds of dispositions during the year (amount not to exceed the capital cost) 207	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see note3 below) 211	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6)	8 CCA rate % (see note 4 below) 212	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below) 213	10 Terminal loss (line 404 of Schedule 1) 215	11 Capital cost allowance (for declining balance method, column 7 **multiplied** by column 8, or a lower amount) (line 403 of Schedule 1) (see note 6 below) 217	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11) 220
1.	1		13,732,677			0		13,732,677	4	0	0	549,307	13,183,370
2.	1b		2,223,211	283,986		0	141,993	2,365,204	6	0	0	141,912	2,365,285
3.	2		7,247,727			0		7,247,727	6	0	0	434,864	6,812,863
4.	8		2,157,692	236,766		0	118,383	2,276,075	20	0	0	455,215	1,939,243
5.	10		1,007,668	1,001,755		139,183	431,286	1,438,954	30	0	0	431,686	1,438,554
6.	12		290,956	441,192		0	220,596	511,552	100	0	0	511,552	220,596
7.	17	Parking Lot	23,493			0		23,493	8	0	0	1,879	21,614
8.	45		719			0		719	45	0	0	324	395
9.	46		47,622			0		47,622	30	0	0	14,287	33,335
10.	47		14,174,842	2,681,487		120,212	1,280,638	15,455,479	8	0	0	1,236,438	15,499,679
11.	50		1,056,368	557,534		0	278,767	1,335,135	55	0	0	734,324	879,578
12.	95		1,063,032	1,195,973		1,063,032	66,471	1,129,502	0	0	0		1,195,973
13.	14.1		1,119,886			0		1,119,886	5	0	0	78,392	1,041,494
		Totals	44,145,893	6,398,693		1,322,427	2,538,134	46,684,025				4,590,180	44,631,979

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2018-12-31

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

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

	1 Class number *	Description	2 Undepreciated capital cost at the beginning of the year (amount from column 12 of last year's schedule 8)	3 Cost of acquisitions during the year (new property must be available for use) (see note 1 below)	4 Adjustments and transfers (see note 2 below)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) (see notes 3 and 7 below)	7 Reduced undepreciated capital cost (column 2 **plus** column 3 **plus** or **minus** column 4 **minus** column 5 **minus** column 6) (see note 7 below)	8 CCA rate % (see note 4 below)	9 Recapture of capital cost allowance (line 107 of Schedule 1) (see note 5 below)	10 Terminal loss (line 404 of Schedule 1)	11 Capital cost allowance (for declining balance method, column 7 **multiplied by** column 8, or a lower amount) (line 403 of Schedule 1) (see notes 6 and 7 below)	12 Undepreciated capital cost at the end of the year (column 6 **plus** column 7 **minus** column 11)
	200		201	203	205	207	211		212	213	215	217	220
1.	1		13,183,370			0		13,183,370	4	0	0	527,335	12,656,035
2.	1b		2,365,285	537,811		0	268,906	2,634,190	6	0	0	158,051	2,745,045
3.	2		6,812,863			0		6,812,863	6	0	0	408,772	6,404,091
4.	8		1,939,243	159,661		0	79,831	2,019,073	20	0	0	403,815	1,695,089
5.	10		1,438,554	600,856		53,704	273,576	1,712,130	30	0	0	513,639	1,472,067
6.	12		220,596	513,785		0	256,893	477,488	100	0	0	477,488	256,893
7.	17	Parking Lot	21,614			0		21,614	8	0	0	1,729	19,885
8.	45		395			0		395	45	0	0	178	217
9.	46		33,335			0		33,335	30	0	0	10,001	23,334
10.	47		15,499,679	3,170,009		43,214	1,563,398	17,063,076	8	0	0	1,365,046	17,261,428
11.	50		879,578	660,047		0	330,024	1,209,601	55	0	0	665,281	874,344
12.	95		1,195,973	1,207,922		1,195,973	5,975	1,201,947	0	0	0		1,207,922
13.	14.1		1,041,494			0		1,041,494	5	0	0	72,905	968,589
		Totals	44,631,979	6,850,091		1,292,891	2,778,603	47,410,576				4,604,240	45,584,939

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2019-12-31

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

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

	1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
	200		201	203	225	205	221	222	207	211
1.	1		12,656,035						0	
2.	1b		2,745,045	276,177	276,177				0	
3.	2		6,404,091						0	
4.	8		1,695,089	199,738	199,738				0	
5.	10		1,472,067	239,984	239,984				0	
6.	10.1	Supervisor Truck		33,900	33,900				N/A	
7.	12		256,893	659,821	659,821				0	
8.	14.1		968,589						0	
9.	17		19,885						0	
10.	45		217						0	
11.	46		23,334						0	
12.	47		17,261,428	6,106,791	6,054,904				33,948	
13.	50		874,344	1,114,466	1,114,466				0	
14.	95		1,207,922	1,420,322	1,420,322				1,207,922	
		Totals	45,584,939	10,051,199	9,999,312				1,241,870	

	1 Class number * See note 1 **200**	Des-crip-tion	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 **plus** column 6 **minus** column 3 **plus** column 4 **minus** column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 **minus** column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 **multiplied** by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 **multiplied** by the result of column 3 **minus** column 4 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See note 10 **224**	14 CCA rate % See note 11 **212**	15 Recapture of CCA See note 12 **213**	16 Terminal loss See note 13 **215**	17 CCA (for declining balance method, the result of column 9 **plus** column 12 **minus** column 13, **multiplied** by column 14 or a lower amount) See note 14 **217**	18 UCC at the end of the year (column 9 **minus** column 17) **220**
1.	1		12,656,035					4	0	0	506,241	12,149,794
2.	1b		3,021,222		276,177	138,089		6	0	0	189,559	2,831,663
3.	2		6,404,091					6	0	0	384,245	6,019,846
4.	8		1,894,827		199,738	99,869		20	0	0	398,939	1,495,888
5.	10		1,712,051		239,984	119,992		30	0	0	549,613	1,162,438
6.	10.1	Superv	33,900			16,950		30	N/A	N/A	15,255	18,645
7.	12		916,714		659,821			100	0	0	916,714	
8.	14.1		968,589					5	0	0	67,801	900,788
9.	17		19,885					8	0	0	1,591	18,294
10.	45		217					45	0	0	98	119
11.	46		23,334					30	0	0	7,000	16,334
12.	47		23,334,271		6,054,904	3,027,452	8,970	8	0	0	2,108,220	21,226,051
13.	50		1,988,810		1,114,466	557,233		55	0	0	1,400,324	588,486
14.	95		1,420,322	1,207,922	212,400	106,200		0	0	0		1,420,322
		Totals	54,394,268	1,207,922	8,757,490	4,065,785	8,970				6,545,600	47,848,668

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2020-12-31

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

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

	1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) or zero-emission vehicle (ZEV) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	9 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 8
	200		**201**	**203**	**225**	**205**	**221**	**222**	**207**	
1.	1		12,149,794						0	12,149,794
2.	1b		2,882,386	192,393	192,393				0	3,074,779
3.	2		6,019,846						0	6,019,846
4.	8		1,438,288	161,589	161,589				0	1,599,877
5.	10		1,162,438	908,168	908,168				125,950	1,944,656
6.	10.1	Supervisor Truck	18,645						N/A	18,645
7.	10.1			33,900	33,900				N/A	33,900
8.	12			336,234	336,234				0	336,234
9.	14.1		863,012						20,280	842,732
10.	17		18,294						0	18,294
11.	45		119						0	119
12.	46		16,334						0	16,334
13.	47		22,220,835	5,774,763	5,774,763				85,444	27,910,154
14.	50		588,486	1,381,706	1,381,706				0	1,970,192
15.	95		1,420,322	1,393,645	1,393,645				1,420,322	1,393,645
		Totals	48,798,799	10,182,398	10,182,398				1,651,996	57,329,201

	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						4	0	0	485,992	11,663,802
2.	1b			192,393	96,197		6	0	0	190,259	2,884,520
3.	2						6	0	0	361,191	5,658,655
4.	8			161,589	80,795		20	0	0	336,134	1,263,743
5.	10		125,950	782,218	391,109		30	0	0	700,730	1,243,926
6.	10.1	Supervisor Truck					30	N/A	N/A	5,594	13,051
7.	10.1			33,900	16,950		30	N/A	N/A	15,255	18,645
8.	12			336,234			100	0	0	336,234	
9.	14.1		20,280				5	0	0	59,397	783,335
10.	17						8	0	0	1,464	16,830
11.	45						45	0	0	54	65
12.	46						30	0	0	4,900	11,434
13.	47		85,444	5,689,319	2,844,660		8	0	0	2,460,385	25,449,769
14.	50			1,381,706	690,853		55	0	0	1,463,575	506,617
15.	95		1,420,322				0	0	0		1,393,645
		Totals	1,651,996	8,577,359	4,120,564					6,421,164	50,908,037

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 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 ☒

	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		11,663,802						0	11,663,802
2.	1b		2,884,520	231,963	231,963				0	3,116,483
3.	2		5,658,655						0	5,658,655
4.	8		1,263,743	196,300	196,300				0	1,460,043
5.	10		1,243,926	320,912	320,912				6,825	1,558,013
6.	10.1	Supervisor Truck	13,051						N/A	13,051
7.	10.1		18,645						N/A	18,645
8.	14.1		783,335						0	783,335
9.	17		16,830						0	16,830
10.	45		65						0	65
11.	46		11,434						0	11,434
12.	47		25,449,769	5,596,333	5,596,333				68,212	30,977,890
13.	50		506,617	1,097,589	1,097,589				0	1,604,206
14.	95		1,393,645	1,531,411	1,531,411				1,393,645	1,531,411
15.	10.1	2021 Ford F-150		33,900	33,900				N/A	33,900
16.	10.1	2021 Ford Super Duty		33,900	33,900				N/A	33,900
17.	12			472,224	472,224				0	472,224
		Totals	50,908,037	9,514,532	9,514,532				1,468,682	58,953,887

	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						4	0	0	466,552	11,197,250
2.	1b			231,963	115,982		6	0	0	193,948	2,922,535
3.	2						6	0	0	339,519	5,319,136
4.	8			196,300	98,150		20	0	0	311,639	1,148,404
5.	10		6,825	314,087	157,044		30	0	0	514,517	1,043,496
6.	10.1	Supervisor Truck					30	N/A	N/A	3,915	9,136
7.	10.1						30	N/A	N/A	5,594	13,051
8.	14.1						5	0	0	55,239	728,096
9.	17						8	0	0	1,346	15,484
10.	45						45	0	0	29	36
11.	46						30	0	0	3,430	8,004
12.	47		68,212	5,528,121	2,764,061		8	0	0	2,699,356	28,278,534
13.	50			1,097,589	548,795		55	0	0	1,184,151	420,055
14.	95		1,393,645	137,766	68,883		0	0	0		1,531,411
15.	10.1	2021 Ford F-150		33,900	16,950		30	N/A	N/A	15,255	18,645
16.	10.1	2021 Ford Super Duty		33,900	16,950		30	N/A	N/A	15,255	18,645
17.	12			472,224			100	0	0	472,224	
		Totals	1,468,682	8,045,850	3,786,815					6,281,969	52,671,918

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.

BLUEWATER POWER
DISTRIBUTION CORPORATION

ATTACHMENT 6 – 5

2013 TO 2016 – ORIGINAL FILED
SCHEDULE 10 (CEC)

EB-2022-0016

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2013-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0") . . . . **200** 1,305,255 A

Add: Cost of eligible capital property acquired during the taxation year **222**

Other adjustments **226**

Subtotal (line 222 plus line 226) x 3 / 4 = B

Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002 . . . . **228** x 1 / 2 = C

amount B minus amount C (if negative, enter "0") ▶ D

Amount transferred on amalgamation or wind-up of subsidiary . . . . **224** E

Subtotal (add amounts A, D, and E) **230** 1,305,255 F

Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year . . . . **242** G

The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) . . . . **244** H

Other adjustments . . . . **246** I

(add amounts G,H, and I) x 3 / 4 = **248** J

Cumulative eligible capital balance (amount F minus amount J) . . . . 1,305,255 K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business **249**

amount K 1,305,255

less amount from line 249

Current year deduction . . . . 1,305,255 x 7.00 % = **250** 91,368 *

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 91,368 ▶ 91,368 L

Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0") . . . . **300** 1,213,887 M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2014-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")						200	1,213,887	A
Add: Cost of eligible capital property acquired during the taxation year	222	237,850						
Other adjustments	226							
Subtotal (line 222 plus line 226)		237,850	x 3 / 4 =	178,388	B			
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228		x 1 / 2 =		C			
amount B minus amount C (if negative, enter "0")				178,388	▶		178,388	D
Amount transferred on amalgamation or wind-up of subsidiary						224		E
Subtotal (add amounts A, D, and E)						230	1,392,275	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G					
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H					
Other adjustments	246		I					
(add amounts G,H, and I)			x 3 / 4 =			248		J
Cumulative eligible capital balance (amount F minus amount J)							1,392,275	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)								
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business				249				
amount K		1,392,275						
less amount from line 249								
Current year deduction		1,392,275	x 7.00 % =	250	97,459 *			
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)					97,459	▶	97,459	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")						300	1,294,816	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

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SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2015-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")			200	1,294,816	A
Add: Cost of eligible capital property acquired during the taxation year	222				
Other adjustments	226				
Subtotal (line 222 plus line 226)		x 3 / 4 =			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228	x 1 / 2 =			C
amount B minus amount C (if negative, enter "0") ▶					D
Amount transferred on amalgamation or wind-up of subsidiary			224		E
Subtotal (add amounts A, D, and E)			230	1,294,816	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242				G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244				H
Other adjustments	246				I
(add amounts G,H, and I)		x 3 / 4 =	248		J
Cumulative eligible capital balance (amount F minus amount J)				1,294,816	K
(if amount K is negative, enter "0" at line M and proceed to Part 2)					
Cumulative eligible capital for a property no longer owned after ceasing to carry on that business	249				
amount K	1,294,816				
less amount from line 249					
Current year deduction	1,294,816	x 7.00 % =	250	90,637 *	
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)				90,637 ▶ 90,637	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")			300	1,204,179	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

Canada Revenue Agency　Agence du revenu du Canada

SCHEDULE 10

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Tax year-end Year Month Day
Bluewater Power Distribution Corporation	86572 7390 RC0001	2016-12-31

- For use by a corporation that has eligible capital property. For more information, see the *T2 Corporation Income Tax Guide*.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 – Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0")				200	1,204,179	A
Add: Cost of eligible capital property acquired during the taxation year	222					
Other adjustments	226					
Subtotal (line 222 plus line 226)			x 3 / 4 =			B
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an eligible capital property to the corporation after December 20, 2002	228		x 1 / 2 =			C
amount B minus amount C (if negative, enter "0")				▶		D
Amount transferred on amalgamation or wind-up of subsidiary				224		E
Subtotal (add amounts A, D, and E)				230	1,204,179	F
Deduct: Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	242		G			
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	244		H			
Other adjustments	246		I			
(add amounts G,H, and I)			x 3 / 4 =	248		J
Cumulative eligible capital balance (amount F minus amount J)					1,204,179	K

(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer owned after ceasing to carry on that business **249**

amount K	1,204,179				
less amount from line 249					
Current year deduction	1,204,179	x 7.00 % = 250	84,293 *		
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)			84,293 ▶	84,293	L
Cumulative eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")			300	1,119,886	M

* You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.

BLUEWATER POWER DISTRIBUTION CORPORATION

ATTACHMENT 6 – 6

UCC BALANCES FROM 2014 TO 2023

EB-2022-0016

Bluewater Power Distribution Corporation
Summary of Capital Cost Allowance

See Yellow for Cells that Have been adjusted from Originally Filed

Class No. [200]	2 UCC BOY [201]	3 Additions [203]	4 Adjustments [205]	5 Proceeds* [207]	6 UCC	7 1/2 of [203] - [207] [211]	8 Reduced UCC	9 Rate % [212]	10 Recapture [213]	11 Terminal Loss [215]	12 CCA [217]	13 UCC EOY [220]
2014 with adjustments												
1	$ 15,343,937				$ 15,343,937	$ -	$ 15,343,937	4	$ -	$ -	$ 613,757	$ 14,730,180
1b	$ 2,224,841	$ 100,615			$ 2,325,456	$ 50,308	$ 2,275,148	6	$ -	$ -	$ 136,509	$ 2,188,947
2	$ 8,726,062				$ 8,726,062	$ -	$ 8,726,062	6	$ -	$ -	$ 523,564	$ 8,202,498
8	$ 1,538,059	210,193		$ (427)	$ 1,747,825	$ 104,883	$ 1,642,942	20	$ -	$ -	$ 328,588	$ 1,419,237
10	$ 1,285,714	$ 63,300		$ (8,171)	$ 1,340,843	$ 27,565	$ 1,313,278	30	$ -	$ -	$ 393,984	$ 946,859
12	$ 453,951	$ 542,450			$ 996,401	$ 271,225	$ 725,176	100	$ -	$ -	$ 725,176	$ 271,225
17	$ 30,171				$ 30,171	$ -	$ 30,171	8	$ -	$ -	$ 2,414	$ 27,757
45	$ 4,320				$ 4,320	$ -	$ 4,320	45	$ -	$ -	$ 1,944	$ 2,376
46	$ 138,842				$ 138,842	$ -	$ 138,842	30	$ -	$ -	$ 41,653	$ 97,189
14.1 (Sch 10)	$ 1,213,887	$ 120,001			$ 1,333,888	$ 60,000	$ 1,273,888	7	$ -	$ -	$ 93,372	$ 1,240,515
47	$ 12,553,767	$ 2,392,431		$ (801,043)	$ 14,145,155	$ 795,694	$ 13,349,461	8	$ -	$ -	$ 1,067,957	$ 13,077,198
50	$ 693,714	$ 751,769			$ 1,445,483	$ 375,885	$ 1,069,598	55	$ -	$ -	$ 588,279	$ 857,204
95	$ 1,247,052	$ 1,286,018		$ (1,247,052)	$ 1,286,018	$ 19,483	$ 1,266,535	-	$ -	$ -	$ -	$ 1,286,018
	$ 45,454,317	$ 5,466,777	$ -	$ (2,056,693)	$ 48,864,401	$ 1,705,043	$ 47,159,358	$ -	$ -	$ -	$ 4,517,197	$ 44,347,204
w/o 14.1 =	44,240,430											
2015 with adjustments												
1	$ 14,730,180	$ 53,171			$ 14,783,351	$ 26,586	$ 14,756,765	4	$ -	$ -	$ 590,271	$ 14,193,080
1b	$ 2,188,947	$ 322,217			$ 2,511,164	$ 161,109	$ 2,350,055	6	$ -	$ -	$ 141,003	$ 2,370,161
2	$ 8,202,498				$ 8,202,498	$ -	$ 8,202,498	6	$ -	$ -	$ 492,150	$ 7,710,348
8	$ 1,419,237	84,155			$ 1,503,392	$ 42,078	$ 1,461,314	20	$ -	$ -	$ 292,263	$ 1,211,129
10	$ 946,859	$ 136,157			$ 1,083,016	$ 68,079	$ 1,014,937	30	$ -	$ -	$ 304,481	$ 778,535
12	$ 271,225	$ 461,472			$ 732,697	$ 230,736	$ 501,961	100	$ -	$ -	$ 501,961	$ 230,736
17	$ 27,757				$ 27,757	$ -	$ 27,757	8	$ -	$ -	$ 2,221	$ 25,537
45	$ 2,376				$ 2,376	$ -	$ 2,376	45	$ -	$ -	$ 1,069	$ 1,307
46	$ 97,189				$ 97,189	$ -	$ 97,189	30	$ -	$ -	$ 29,157	$ 68,033
14.1 (Sch 10)	$ 1,240,515				$ 1,240,515	$ -	$ 1,240,515	7	$ -	$ -	$ 86,836	$ 1,153,679
47	$ 13,077,198	$ 4,652,224		$ (999,795)	$ 16,729,627	$ 1,826,215	$ 14,903,412	8	$ -	$ -	$ 1,192,273	$ 15,537,354
50	$ 857,204	$ 506,351			$ 1,363,555	$ 253,176	$ 1,110,379	55	$ -	$ -	$ 610,709	$ 752,846
95	$ 1,286,018	$ 1,302,986		$ (1,286,018)	$ 1,302,986	$ 8,484	$ 1,294,502	-	$ -	$ -	$ -	$ 1,302,986
	$ 44,347,204	$ 7,518,733	$ -	$ (2,285,813)	$ 49,580,124	$ 2,616,463	$ 46,963,661		$ -	$ -	$ 4,244,393	$ 45,335,731
2016 with adjustments												
1	$ 14,193,080	$ 109,510			$ 14,302,590	$ 54,755	$ 14,247,835	4	$ -	$ -	$ 569,913	$ 13,732,677
1b	$ 2,370,161	$ 58,071			$ 2,428,232	$ 29,036	$ 2,399,196	6	$ -	$ -	$ 143,952	$ 2,284,280
2	$ 7,710,348				$ 7,710,348	$ -	$ 7,710,348	6	$ -	$ -	$ 462,621	$ 7,247,727
8	$ 1,211,129	245,943			$ 1,457,072	$ 122,972	$ 1,334,100	20	$ -	$ -	$ 266,820	$ 1,190,252
10	$ 778,535	$ 571,466		$ (27,122)	$ 1,322,879	$ 272,172	$ 1,050,707	30	$ -	$ -	$ 315,212	$ 1,007,667
12	$ 230,736	$ 581,912			$ 812,648	$ 290,956	$ 521,692	100	$ -	$ -	$ 521,692	$ 290,956
17	$ 25,537				$ 25,537	$ -	$ 25,537	8	$ -	$ -	$ 2,043	$ 23,494
45	$ 1,307				$ 1,307	$ -	$ 1,307	45	$ -	$ -	$ 588	$ 719
46	$ 68,033				$ 68,033	$ -	$ 68,033	30	$ -	$ -	$ 20,410	$ 47,623
14.1 (Sch 10)	$ 1,153,679				$ 1,153,679	$ -	$ 1,153,679	7	$ -	$ -	$ 80,758	$ 1,072,922
47	$ 15,537,354	$ 5,175,310		$ (229,256)	$ 20,483,408	$ 2,473,027	$ 18,010,381	8	$ -	$ -	$ 1,440,830	$ 19,042,578
50	$ 752,846	$ 989,775			$ 1,742,621	$ 494,888	$ 1,247,733	55	$ -	$ -	$ 686,254	$ 1,056,368
95	$ 1,302,986	$ 1,063,032		$ (1,302,986)	$ 1,063,032	$ -	$ 1,063,032	0	$ -	$ -	$ -	$ 1,063,032
	$ 45,335,731	$ 8,795,019	$ -	$ (1,559,364)	$ 52,571,386	$ 3,737,806	$ 48,833,580		$ -	$ -	$ 4,511,093	$ 48,060,293

Bluewater Power Distribution Corporation
Summary of Capital Cost Allowance

See Yellow for Cells that Have been adjusted from Originally Filed

Class No. [200]	2 UCC BOY [201]	3 Additions [203]	4 Adjustments [205]	5 Proceeds* [207]	6 UCC	7 1/2 of [203] - [207] [211]	8 Reduced UCC	9 Rate % [212]	10 Recapture [213]	11 Terminal Loss [215]	12 CCA [217]	13 UCC EOY [220]
2017 with adjustments												
1	$ 13,732,677				$ 13,732,677	$ -	$ 13,732,677	4	$ -	$ -	$ 549,307	$ 13,183,369
1b	$ 2,284,280	$ 283,986			$ 2,568,266	$ 141,993	$ 2,426,273	6	$ -	$ -	$ 145,576	$ 2,422,690
2	$ 7,247,727				$ 7,247,727	$ -	$ 7,247,727	6	$ -	$ -	$ 434,864	$ 6,812,864
8	$ 1,190,252	$ 236,766			$ 1,427,018	$ 118,383	$ 1,308,635	20	$ -	$ -	$ 261,727	$ 1,165,291
10	$ 1,007,667	$ 1,001,755		$ (55,328)	$ 1,954,094	$ 473,214	$ 1,480,880	30	$ -	$ -	$ 444,264	$ 1,509,830
12	$ 290,956	$ 441,192			$ 732,148	$ 220,596	$ 511,552	100	$ -	$ -	$ 511,552	$ 220,596
17	$ 23,494				$ 23,494	$ -	$ 23,494	8	$ -	$ -	$ 1,880	$ 21,614
45	$ 719				$ 719	$ -	$ 719	45	$ -	$ -	$ 323	$ 395
46	$ 47,623				$ 47,623	$ -	$ 47,623	30	$ -	$ -	$ 14,287	$ 33,336
14.1 (new)	$ 1,072,922				$ 1,072,922	$ -	$ 1,072,922	7	$ -	$ -	$ 75,105	$ 997,817
47	$ 19,042,578	$ 4,674,703		$ (204,067)	$ 23,513,214	$ 2,235,318	$ 21,277,896	8	$ -	$ -	$ 1,702,232	$ 21,810,982
50	$ 1,056,368	$ 557,534			$ 1,613,902	$ 278,767	$ 1,335,135	55	$ -	$ -	$ 734,324	$ 879,578
95	$ 1,063,032	$ 1,195,973		$ (1,063,032)	$ 1,195,973	$ 66,471	$ 1,129,502	0	$ -	$ -	$ -	$ 1,195,973
	$ 48,060,293	$ 8,391,909	$ -	$ (1,322,427)	$ 55,129,775	$ 3,534,742	$ 51,595,033		$ -	$ -	$ 4,875,440	$ 50,254,335
2018 with adjustments												
1	$ 13,183,369				$ 13,183,369	$ -	$ 13,183,369	4	$ -	$ -	$ 527,335	$ 12,656,035
1b	$ 2,422,690	$ 537,811			$ 2,960,501	$ 268,906	$ 2,691,595	6	$ -	$ -	$ 161,496	$ 2,799,005
2	$ 6,812,864				$ 6,812,864	$ -	$ 6,812,864	6	$ -	$ -	$ 408,772	$ 6,404,092
8	$ 1,165,291	159,661			$ 1,324,952	$ 79,831	$ 1,245,121	20	$ -	$ -	$ 249,024	$ 1,075,928
10	$ 1,509,830	$ 600,856		$ (53,704)	$ 2,056,982	$ 273,576	$ 1,783,406	30	$ -	$ -	$ 535,022	$ 1,521,960
12	$ 220,596	$ 513,785			$ 734,381	$ 256,893	$ 477,488	100	$ -	$ -	$ 477,489	$ 256,893
17	$ 21,614				$ 21,614	$ -	$ 21,614	8	$ -	$ -	$ 1,729	$ 19,885
45	$ 395				$ 395	$ -	$ 395	45	$ -	$ -	$ 178	$ 217
46	$ 33,336				$ 33,336	$ -	$ 33,336	30	$ -	$ -	$ 10,002	$ 23,334
14.1	$ 997,817				$ 997,817	$ -	$ 997,817	7	$ -	$ -	$ 69,847	$ 927,970
47	$ 21,810,982	$ 5,575,901		$ (43,214)	$ 27,343,669	$ 2,766,344	$ 24,577,325	8	$ -	$ -	$ 1,966,186	$ 25,377,483
50	$ 879,578	$ 660,047			$ 1,539,625	$ 330,024	$ 1,209,601	55	$ -	$ -	$ 665,281	$ 874,344
95	$ 1,195,973	$ 1,207,922		$ (1,195,973)	$ 1,207,922	$ 5,975	$ 1,201,947	0	$ -	$ -	$ -	$ 1,207,922
	$ 50,254,335	$ 9,255,983	$ -	$ (1,292,891)	$ 58,217,427	$ 3,981,549	$ 54,235,878		$ -	$ -	$ 5,072,359	$ 53,145,067

Bluewater Power Distribution Corporation
Summary of Capital Cost Allowance

Class No. [200]	2 UCC BOY [201]	3 Additions [203]	4 Additions from Column 3 that are AIIP [225]	5 Adjustments [205]	8 Proceeds [207]	9 UCC	10 Proceeds to reduce the UCC of AIIP	11 Net cost of AIIP added during year	12 UCC Adjustment for AIIP added during year	13 UCC Adjustment for non-AIIP added during year [224]	14 Rate % [212]	15 Recapture [213]	16 Terminal Loss [215]	17 CCA [217]	18 UCC EOY [220]
2019 with adjustments															
1	$ 12,656,035					$ 12,656,035		$ -	$ -	$ -	4	$ -	$ -	$ 506,241	$ 12,149,794
1b	$ 2,799,005	$ 276,177	$ 276,177			$ 3,075,182		$ 276,177	$ 138,089	$ -	6	$ -	$ -	$ 192,796	$ 2,882,386
2	$ 6,404,092					$ 6,404,092		$ -	$ -	$ -	6	$ -	$ -	$ 384,245	$ 6,019,847
8	$ 1,075,928	$ 199,738	$ 199,738			$ 1,275,666		$ 199,738	$ 99,869	$ -	20	$ -	$ -	$ 275,107	$ 1,000,559
10	$ 1,521,960	$ 239,984	$ 239,984			$ 1,761,944		$ 239,984	$ 119,992	$ -	30	$ -	$ -	$ 564,581	$ 1,197,363
10.1	$ -	$ 33,900	$ 33,900			$ 33,900		$ -	$ 16,950	$ -	30	n/a	n/a	$ 15,255	$ 18,645
12	$ 256,893	$ 659,821	$ 659,821			$ 916,714		$ 659,821	$ -	$ -	100	$ -	$ -	$ 916,714	$ -
17	$ 19,885					$ 19,885		$ -	$ -	$ -	8	$ -	$ -	$ 1,591	$ 18,294
45	$ 217					$ 217		$ -	$ -	$ -	45	$ -	$ -	$ 98	$ 119
46	$ 23,334					$ 23,334		$ -	$ -	$ -	30	$ -	$ -	$ 7,000	$ 16,334
14.1 (Sch 10)	$ 927,970					$ 927,970		$ -	$ -	$ -	7	$ -	$ -	$ 64,958	$ 863,012
47	$ 25,377,483	$ 6,106,791	$ 6,054,904		$ (33,948)	$ 31,450,326		$ 6,054,904	$ 3,027,452	$ 8,970	8	$ -	$ -	$ 2,757,505	$ 28,692,821
50	$ 874,344	$ 1,114,466	$ 1,114,466			$ 1,988,810		$ 1,114,466	$ 557,233	$ -	55	$ -	$ -	$ 1,400,324	$ 588,486
95	$ 1,207,922	$ 1,420,322	$ 1,420,322		$ (1,207,922)	$ 1,420,322	$ (1,207,922)	$ 212,400	$ 106,200	$ -	-	$ -	$ -	$ -	$ 1,420,322
	$ 53,145,067	$ 10,051,199	$ 9,999,312	$ -	$ (1,241,870)	$ 61,954,396	$ (1,207,922)	$ 8,757,490	$ 4,065,785	$ 8,970	$ -	$ -	$ -	$ 7,086,415	$ 54,867,982
2020 with adjustments															
1	$ 12,149,794					$ 12,149,794		$ -	$ -	$ -	4	$ -	$ -	$ 485,992	$ 11,663,802
1b	$ 2,882,386	$ 192,393	$ 192,393			$ 3,074,779		$ 192,393	$ 96,197	$ -	6	$ -	$ -	$ 190,259	$ 2,884,520
2	$ 6,019,847					$ 6,019,847		$ -	$ -	$ -	6	$ -	$ -	$ 361,191	$ 5,658,656
8	$ 1,000,559	$ 161,589	$ 161,589			$ 1,162,148		$ 161,589	$ 80,795	$ -	20	$ -	$ -	$ 248,589	$ 913,559
10	$ 1,197,363	$ 908,168	$ 908,168		$ (125,950)	$ 1,979,581	$ (125,950)	$ 782,218	$ 391,109	$ -	30	$ -	$ -	$ 711,207	$ 1,268,374
10.1	$ 18,645	$ -	$ -			$ 18,645		$ -	$ -	$ -	30	n/a	n/a	$ 5,594	$ 13,051
10.1	$ -	$ 33,900	$ 33,900			$ 33,900		$ 33,900	$ 16,950	$ -	30	n/a	n/a	$ 15,255	$ 18,645
12	$ -	$ 336,234	$ 336,234			$ 336,234		$ 336,234	$ -	$ -	100	$ -	$ -	$ 336,234	$ -
17	$ 18,294					$ 18,294		$ -	$ -	$ -	8	$ -	$ -	$ 1,464	$ 16,830
45	$ 119					$ 119		$ -	$ -	$ -	45	$ -	$ -	$ 54	$ 65
46	$ 16,334					$ 16,334		$ -	$ -	$ -	30	$ -	$ -	$ 4,900	$ 11,434
14.1 (Sch 10)	$ 863,012				$ (20,280)	$ 842,732	$ (20,280)	$ -	$ -	$ -	7	$ -	$ -	$ 58,991	$ 783,741
47	$ 28,692,821	$ 5,774,763	$ 5,774,763		$ (85,444)	$ 34,382,140	$ (85,444)	$ 5,689,319	$ 2,844,660	$ -	8	$ -	$ -	$ 2,978,144	$ 31,403,996
50	$ 588,486	$ 1,381,706	$ 1,381,706			$ 1,970,192		$ 1,381,706	$ 690,853	$ -	55	$ -	$ -	$ 1,463,575	$ 506,617
95	$ 1,420,322	$ 1,393,645	$ 1,393,645		$ (1,420,322)	$ 1,393,645	$ (1,420,322)	$ -	$ -	$ -	-	$ -	$ -	$ -	$ 1,393,645
	$ 54,867,982	$ 10,182,398	$ 10,182,398	$ -	$ (1,651,996)	$ 63,398,384	$ (1,651,996)	$ 8,577,359	$ 4,120,564	$ -	$ -	$ -	$ -	$ 6,861,449	$ 56,536,935
2021 with adjustments															
1	$ 11,663,802					$ 11,663,802		$ -	$ -	$ -	4	$ -	$ -	$ 466,552	$ 11,197,250
1b	$ 2,884,520	$ 231,963	$ 231,963			$ 3,116,483		$ 231,963	$ 115,982	$ -	6	$ -	$ -	$ 193,948	$ 2,922,535
2	$ 5,658,656					$ 5,658,656		$ -	$ -	$ -	6	$ -	$ -	$ 339,519	$ 5,319,137
8	$ 913,559	$ 196,300	$ 196,300			$ 1,109,859		$ 196,300	$ 98,150	$ -	20	$ -	$ -	$ 241,602	$ 868,257
10	$ 1,268,374	$ 320,912	$ 320,912		$ (6,825)	$ 1,582,461	$ (6,825)	$ 314,087	$ 157,044	$ -	30	$ -	$ -	$ 521,852	$ 1,060,609
10.1	$ 13,051					$ 13,051		$ -	$ -	$ -	30	n/a	n/a	$ 3,915	$ 9,136
10.1	$ 18,645					$ 18,645		$ -	$ -	$ -	30	n/a	n/a	$ 5,594	$ 13,051
10.1	$ -	$ 33,900	$ 33,900			$ 33,900		$ 33,900	$ 16,950	$ -	30	n/a	n/a	$ 15,255	$ 18,645
10.1	$ -	$ 33,900	$ 33,900			$ 33,900		$ 33,900	$ 16,950	$ -	30	n/a	n/a	$ 15,255	$ 18,645
12	$ -	$ 472,224	$ 472,224			$ 472,224		$ 472,224	$ -	$ -	100	$ -	$ -	$ 472,224	$ -
17	$ 16,830					$ 16,830		$ -	$ -	$ -	8	$ -	$ -	$ 1,346	$ 15,484
45	$ 65					$ 65		$ -	$ -	$ -	45	$ -	$ -	$ 29	$ 36
46	$ 11,434					$ 11,434		$ -	$ -	$ -	30	$ -	$ -	$ 3,430	$ 8,004
14.1 (Sch 10)	$ 783,741					$ 783,741		$ -	$ -	$ -	7	$ -	$ -	$ 54,862	$ 728,879
47	$ 31,403,996	$ 5,596,333	$ 5,596,333		$ (68,212)	$ 36,932,117	$ (68,212)	$ 5,528,121	$ 2,764,061	$ -	8	$ -	$ -	$ 3,175,694	$ 33,756,423
50	$ 506,617	$ 1,097,589	$ 1,097,589			$ 1,604,206		$ 1,097,589	$ 548,795	$ -	55	$ -	$ -	$ 1,184,151	$ 420,055
95	$ 1,393,645	$ 1,531,411	$ 1,531,411		$ (1,393,645)	$ 1,531,411	$ (1,393,645)	$ 137,766	$ 68,883	$ -	-	$ -	$ -	$ -	$ 1,531,411
	$ 56,536,935	$ 9,514,532	$ 9,514,532	$ -	$ (1,468,682)	$ 64,582,785	$ (1,468,682)	$ 8,045,850	$ 3,786,815	$ -	$ -	$ -	$ -	$ 6,695,228	$ 57,887,557

Bluewater Power Distribution Corporation
Summary of Capital Cost Allowance

Class No. [200]	2 UCC BOY [201]	3 Additions [203]	4 Additions from Column 3 that are AIIP [225]	5 Adjustments [205]	8 Proceeds [207]	9 UCC	10 Proceeds to reduce the UCC of AIIP	11 Net cost of AIIP added during year	12 UCC Adjustment for AIIP added during year	13 UCC Adjustment for non-AIIP added during year [224]	14 Rate % [212]	15 Recapture [213]	16 Terminal Loss [215]	17 CCA [217]	18 UCC EOY [220]
2022 bridge year															
1	$ 11,197,250		$ -			$ 11,197,250		$ -	$ -	$ -	4	$ -	$ -	$ 447,890	$ 10,749,360
1b	$ 2,922,535	$ 148,500	$ 148,500			$ 3,071,035		$ 148,500	$ 74,250	$ -	6	$ -	$ -	$ 188,717	$ 2,882,318
2	$ 5,319,137		$ -			$ 5,319,137		$ -	$ -	$ -	6	$ -	$ -	$ 319,148	$ 4,999,989
8	$ 868,257	$ 234,100	$ 234,100			$ 1,102,357		$ 234,100	$ 117,050	$ -	20	$ -	$ -	$ 243,881	$ 858,476
10	$ 1,060,609	$ 687,000	$ 687,000			$ 1,747,609		$ 687,000	$ 343,500	$ -	30	$ -	$ -	$ 627,333	$ 1,120,276
10.1	$ 9,136		$ -			$ 9,136		$ -	$ -	$ -	30	n/a	n/a	$ 2,741	$ 6,395
10.1	$ 13,051		$ -			$ 13,051		$ -	$ -	$ -	30	n/a	n/a	$ 3,915	$ 9,136
10.1	$ 18,645		$ -			$ 18,645		$ -	$ -	$ -	30	n/a	n/a	$ 5,594	$ 13,051
10.1	$ 18,645		$ -			$ 18,645		$ -	$ -	$ -	30	n/a	n/a	$ 5,594	$ 13,051
10.1	$ -	$ 33,900	$ 33,900			$ 33,900		$ 33,900	$ 16,950	$ -	30	n/a	n/a	$ 15,255	$ 18,645
12	$ -	$ 1,270,000	$ 1,270,000			$ 1,270,000		$ 1,270,000	$ -	$ -	100	$ -	$ -	$ 1,270,000	$ -
17	$ 15,484		$ -			$ 15,484		$ -	$ -	$ -	8	$ -	$ -	$ 1,239	$ 14,245
45	$ 36		$ -			$ 36		$ -	$ -	$ -	45	$ -	$ -	$ 16	$ 20
46	$ 8,004		$ -			$ 8,004		$ -	$ -	$ -	30	$ -	$ -	$ 2,401	$ 5,603
14.1 (Sch 10)	$ 728,879		$ -			$ 728,879		$ -	$ -	$ -	7	$ -	$ -	$ 51,022	$ 677,857
47	$ 33,756,423	$ 6,854,500	$ 6,854,500		$ (40,000)	$ 40,570,923	$ (40,000)	$ 6,814,500	$ 3,407,250	$ -	8	$ -	$ -	$ 3,518,254	$ 37,052,669
47 - smart grid	$ -			$ 33,542		$ 33,542		$ -	$ -	$ -		$ -	$ -	$ -	$ 33,542
50	$ 420,055	$ 646,900	$ 646,900			$ 1,066,955		$ 646,900	$ 323,450	$ -	55	$ -	$ -	$ 764,723	$ 302,232
95	$ 1,531,411		$ -		$ (1,531,411)	$ -	$ (1,531,411)	$ -	$ -	$ -	-	$ -	$ -	$ -	$ -
	$ 57,887,557	$ 9,874,900	$ 9,874,900	$ 33,542	$ (1,571,411)	$ 66,224,588	$ (1,571,411)	$ 9,834,900	$ 4,282,450	$ -	$ -	$ -	$ -	$ 7,467,723	$ 58,756,865
		$ 27,100	= cost amount not included in Class 10.1 due to ceiling limit												
		$ 900,000	= land												
		$ 350,000	= storm restoration costs expensed in Sch (1)												
		$ 11,152,000	= total capital budget additions												
2023 test year															
1	$ 10,749,360		$ -			$ 10,749,360		$ -	$ -	$ -	4	$ -	$ -	$ 429,974	$ 10,319,386
1b	$ 2,882,318	$ 122,400	$ 122,400			$ 3,004,718		$ 122,400	$ 61,200	$ -	6	$ -	$ -	$ 183,955	$ 2,820,763
2	$ 4,999,989		$ -			$ 4,999,989		$ -	$ -	$ -	6	$ -	$ -	$ 299,999	$ 4,699,990
8	$ 858,476	$ 594,660	$ 594,660			$ 1,453,136		$ 594,660	$ 297,330	$ -	20	$ -	$ -	$ 350,093	$ 1,103,043
10	$ 1,120,276	$ 165,750	$ 165,750			$ 1,286,026		$ 165,750	$ 82,875	$ -	30	$ -	$ -	$ 410,670	$ 875,356
10.1	$ 6,395		$ -			$ 6,395		$ -	$ -	$ -	30	n/a	n/a	$ 1,919	$ 4,476
10.1	$ 9,136		$ -			$ 9,136		$ -	$ -	$ -	30	n/a	n/a	$ 2,741	$ 6,395
10.1	$ 13,051		$ -			$ 13,051		$ -	$ -	$ -	30	n/a	n/a	$ 3,915	$ 9,136
10.1	$ 13,051		$ -			$ 13,051		$ -	$ -	$ -	30	n/a	n/a	$ 3,915	$ 9,136
10.1	$ 18,645		$ -			$ 18,645		$ -	$ -	$ -	30	n/a	n/a	$ 5,594	$ 13,051
10.1	$ -	$ 33,900	$ 33,900			$ 33,900		$ 33,900	$ 16,950	$ -	30	n/a	n/a	$ 15,255	$ 18,645
10.1	$ -	$ 33,900	$ 33,900			$ 33,900		$ 33,900	$ 16,950	$ -	30	n/a	n/a	$ 15,255	$ 18,645
12	$ -	$ 1,490,000	$ 1,490,000			$ 1,490,000		$ 1,490,000	$ -	$ -	100	$ -	$ -	$ 1,490,000	$ -
17	$ 14,245		$ -			$ 14,245		$ -	$ -	$ -	8	$ -	$ -	$ 1,140	$ 13,105
45	$ 20		$ -			$ 20		$ -	$ -	$ -	45	$ -	$ -	$ 9	$ 11
46	$ 5,603		$ -			$ 5,603		$ -	$ -	$ -	30	$ -	$ -	$ 1,681	$ 3,922
14.1 (Sch 10)	$ 677,857		$ -			$ 677,857		$ -	$ -	$ -	7	$ -	$ -	$ 47,450	$ 630,407
47	$ 37,052,669	$ 7,943,700	$ 7,943,700		$ (40,000)	$ 44,956,369	$ (40,000)	$ 7,903,700	$ 3,951,850	$ -	8	$ -	$ -	$ 3,912,658	$ 41,043,711
47 - smart grid	$ 33,542					$ 33,542		$ -	$ -	$ -	8	$ -	$ -	$ 2,683	$ 30,859
50	$ 302,232	$ 550,590	$ 550,590			$ 852,822		$ 550,590	$ 275,295	$ -	55	$ -	$ -	$ 620,464	$ 232,358
95	$ -		$ -		$ -	$ -	$ -	$ -	$ -	$ -	-	$ -	$ -	$ -	$ -
	$ 58,756,865	$ 10,934,900	$ 10,934,900	$ -	$ (40,000)	$ 69,651,765	$ (40,000)	$ 10,894,900	$ 4,702,450	$ -	$ -	$ -	$ -	$ 7,799,370	$ 61,852,395
		$ 52,200	= cost amount not included in Class 10.1 due to ceiling limit												
		$ 385,000	= storm restoration costs expensed in Sch (1)												
		$ 11,372,100	= total capital budget additions												

ATTACHMENT 6 – 7

2022 ACTUAL PROPERTY TAXES

EB-2022-0016

THE CORPORATION OF THE CITY OF SARNIA
Finance Department
255 Christina Street N. PO Box 3018
Sarnia ON Canada N7T 7N2
519-332-0330 (phone)
www.sarnia.ca ronda.mcintyre@sarnia.ca

July 27, 2022

Bluewater Power Distribution Corporation
Mark Hutson
855 Confederation Street
Sarnia ON N7T 2E4

Dear Mark:

Re: 2022 Grant in Lieu of Taxes

In accordance with Section 27 of The Assessment Act, the City of Sarnia makes application for Payments in Lieu of taxes in respect to properties owned by Bluewater Power that are located within the City of Sarnia, for 2022.

Upon application of the appropriate 2022 tax rates to the assessments of the properties listed on the attached worksheet, the total amount of Payments in Lieu of Taxes for 2022 is $187,626.02.

We have processed an interim payment of $92,744.26. Please forward your payment for the balance, in the amount of $94,881.77, to the City of Sarnia **by AUGUST 30, 2022.**

Your consideration of this matter would be greatly appreciated.

Yours truly,

Ronda McIntyre, A.I.M.A.
Tax Analyst

2022 BLUEWATER POWER PAYMENT IN LIEU

Roll Number	Tax Class	Area Rate	Destination Assessment	2022 assessment	Taxes Municipal	Transit	County	Education No Support	Total
100 002 22600	IH	-	31000	31,000	565.33	-	289.11	387.5	1241.94
200 007 17300	IH	T	57,000	57,000	1039.48	66.92	531.57	712.50	2,350.47
200 016 00100	IH	T	40,000	40,000	729.46	46.96	373.03	500.00	1,649.45
200 033 25100	IH	T	33500	33,500	610.92	39.33	312.42	418.75	1381.42
300 001 01900	IH	T	20,500	20,500	373.85	24.07	191.18	256.25	845.35
300 003 15400	IH	T	205,000	205,000	3738.47	240.66	1,911.80	2,562.50	8,453.43
300 013 07500	IH	T	26,000	26,000	474.15	30.52	242.47	325.00	1,072.14
300 017 20200	IH	T	27,500	27,500	501.5	32.28	256.46	343.75	1,133.99
300 020 24702	IH	T	21,500	21,500	392.08	25.24	200.51	268.75	886.58
400 015 08300	IH	T	16,900	16,900	308.2	19.84	157.61	211.25	696.90
400 038 11400	IH	T	91,300	91,300	1664.99	107.18	851.45	1,141.25	3,764.87
400 038 11500	IH	T	3,524,000	3,524,000	64265.25	4,137.04	32,864.30	44,050.00	145,316.59
400 040 00700	IH	T	102,000	102,000	1860.12	119.74	951.24	1,275.00	4,206.10
400 048 09000	IH	T	34,000	34,000	620.04	39.91	317.08	425.00	1,402.03
400 050 25500	IH	-	25,000	25,000	455.91	-	233.15	312.5	1001.56
400 051 11700	IH	T	30,500	30,500	556.21	35.81	284.44	381.25	1,257.71
300 003 15300	IJ	T	74,000	74,000	877.17	56.47	448.57	925.00	2,307.21
400 038 11400	IK	T	277,700	277,700	3291.77	211.90	1,683.36	3,471.25	8,658.28
			4637400	4,637,400	82,324.90	5,233.87	42,099.75	57,967.50	187,626.02

Tax Rates					
IH	0.01823645	0.00117396	0.00932585	0.01250000	0.04123626
IJ	0.01185369	0.00076307	0.00606180	0.01250000	0.03117856
IK	0.01185369	0.00076307	0.00606180	0.01250000	0.03117856

MINISTRY OF FINANCE

PAYMENT IN LIEU PROPERTY TAX - 2022

		A	B	C	D	E	F	G	H	I	J	K	L
				Sub	Property	Tax	Square	Additional	365	Municipal	Total Tax	Municipal	PILs Amount
Location	Property	Assessment	Roll Number	Number	Code	Class	Meters	Assess. Rate	Factor	Tax Rate	as Private	Tax Paid	Payable
Sarnia													
[redacted]	[redacted]	31,000	382910000222600	9801	560	IH	5.58	5,107.53	1	4.1236260%	1,175.23	1,241.94	-
[redacted]	[redacted]	57,000	382920000717300	9801	560	IH	59.99	1,477.52	1	4.1236260%	3,655.03	2,350.47	1,304.56
[redacted]	[redacted]	40,000	382920001600100	9801	560	IH	51.43	1,255.54	1	4.1236260%	2,662.73	1,649.45	1,013.28
[redacted]	[redacted]	33,500	382920003325100	9801	560	IH	5.95	6,457.83	1	4.1236260%	1,584.47	1,381.42	203.05
[redacted]	[redacted]	20,500	382930000101900	9801	560	IH	5.58	5,972.40	1	4.1236260%	1,374.24	845.35	528.89
[redacted]	[redacted]	74,000	382930000315300	9801	560	IH	5.58	24,849.64	1	3.1178560%	4,323.25	2,307.21	2,016.04
[redacted]	[redacted]	205,000	382930000315400	9801	560	IH	1,792.20	89.78	1	4.1236260%	6,635.07	8,453.43	-
[redacted]	[redacted]	26,000	382930001307500	9801	560	IH	56.54	1,375.90	1	4.1236260%	3,207.91	1,072.14	2,135.77
[redacted]	[redacted]	27,500	382930001720200	9801	560	IH	59.99	1,015.27	1	4.1236260%	2,511.54	1,133.99	1,377.55
[redacted]	[redacted]	21,500	382930002024702	9801	560	IH	59.99	1,405.53	1	4.1236260%	3,476.95	886.58	2,590.37
[redacted]	[redacted]	16,900	382940001508300	9801	560	IH	56.54	1,098.70	1	4.1236260%	2,561.62	696.90	1,864.72
[redacted]	[redacted]	102,000	382940004000700	9801	560	IH	190.28	680.75	1	4.1236260%	5,341.46	4,206.10	1,135.36
[redacted]	[redacted]	34,000	382940004809000	9801	560	IH	56.54	1,751.45	1	4.1236260%	4,083.50	1,402.03	2,681.47
[redacted]	[redacted]	25,000	382940005025500	9801	560	IH	5.58	5,316.13	1	4.1236260%	1,223.23	1,001.56	221.67
[redacted]	[redacted]	30,500	382940005111700	9801	560	IH	5.58	14,134.59	1	4.1236260%	3,252.35	1,257.71	1,994.64
[redacted]	[redacted]	7,800	384104200114200	9801	560	IH	5.58	4,820.79	1	2.7300110%	734.37	212.94	521.43
		752,200						**76,809.35**			**47,802.94**	**30,099.22**	**19,588.79**

A Assessment per MPAC
B Roll Number per Ministry of Finance (MPAC)
C Sub Number per Ministry of Finance (MPAC)
D Property Code per Ministry of Finance (MPAC)
E Tax Class per Ministry of Finance (MPAC)
F Square Meters per Ministry of Finance (MPAC)
G Additional Assessment Rate per MOF (MPAC)
H Number of Days Property Owned in Year as a %
I Per Municipality's Invoice (app. K/A)
J = F*G*H*I
K Municipal Tax Paid
L = J minus K (if overpaid then zero)

2022 FINAL

TAX BILL

THE CORPORATION OF THE TOWN OF PETROLIA

MUNICIPAL OFFICE
411 GREENFIELD STREET, PETROLIA, ON, N0N 1R0
INFORMATION & ENQUIRES: PHONE (519) 882-2350

August 3, 2022
BILLING DATE

PLEASE QUOTE ROLL NO. WHEN MAKING INQUIRES	COUNTY MUN	MAP	SUB	PARCEL	TENAT
	38 19	000	020	10901	0000

MORTGAGE NO.	MORTGAGE COMPANY	PENALTY RATE
		1.250 %

BLUEWATER POWER DISTRIBUTION
CORPORATION
855 CONFEDERATION ST
SARNIA ON N7T 2E4

PROPERTY DESCRIPTION
PLAN 22 PT LOT 28 RP 25R8199
PART 2
IRREG
0.15AC 80.00FR D

Assessment		Municipal						Education	
Tax Class	Value	Municipal Levies	Tax Rate	Amount	Municipal Levies	Tax Rate	Amount	Tax Rate	Amount
IH - INDUSTRIAL - PIL	10,200	General	0.01962487	200.17	County	0.00932585	95.12	0.01250000	127.50
Sub Totals			General Levy:	200.17		County Levy:	95.12	Education Levy:	127.50

Special Charges/Credits		Summary	
		Tax Levy Sub-Total (Municipal + Education)	422.79
		Special Charges/Credits	0.00
		Phase-in Summary	0.00
		2022 Tax Cap Adjustment	0.00
		Total 2022 Taxes	422.79
		Less Previous Interim	191.00
		Past Due/Credit (As of 08/03/2022)	0.00
Total	0.00	Total Amount Due	231.79

E. & O.E. Instalments Due AUG 31,2022 116.79 School Support: No Support
OCT 31,2022 115.00

FIRST INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-020-10901-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE AUG 31,2022

Balance Forward: 0.00

116.79

TOTAL AMOUNT 116.79

TAX BILL

SECOND INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-020-10901-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE OCT 31,2022

115.00

TOTAL AMOUNT 115.00

TAX BILL

2022 FINAL

THE CORPORATION OF THE TOWN OF PETROLIA
MUNICIPAL OFFICE
411 GREENFIELD STREET, PETROLIA, ON, N0N 1R0
INFORMATION & ENQUIRES: PHONE (519) 882-2350

TAX BILL

August 3, 2022
BILLING DATE

PLEASE QUOTE ROLL NO WHEN MAKING INQUIRES	COUNTY MUN	MAP	SUB	PARCEL	TENAT
	38 19	000	040	16501	0000

MORTGAGE NO.	MORTGAGE COMPANY	PENALTY RATE
		1.250 %

BLUEWATER POWER DISTRIBUTION
CORPORATION
855 CONFEDERATION ST
SARNIA ON N7T 2E4

PROPERTY DESCRIPTION
ALBANY ST
ENNISKILLEN CON 10 PT LOT 12
RP 25R9840 PART 1
IRREG
11379.71SF 120.73FR D

Assessment		Municipal						Education	
Tax Class	Value	Municipal Levies	Tax Rate	Amount	Municipal Levies	Tax Rate	Amount	Tax Rate	Amount
IH - INDUSTRIAL - PIL	108,000	General	0.01962487	2,119.49	County	0.00932585	1,007.19	0.01250000	1,350.00
Sub Totals			General Levy:	2,119.49		County Levy:	1,007.19	Education Levy:	1,350.00

Special Charges/Credits		Summary	
		Tax Levy Sub-Total (Municipal + Education)	4,476.68
		Special Charges/Credits	0.00
		Phase-in Summary	0.00
		2022 Tax Cap Adjustment	0.00
		Total 2022 Taxes	4,476.68
		Less Previous Interim	2,028.00
		Past Due/Credit (As of 08/03/2022)	0.00
Total	0.00	Total Amount Due	2,448.68

E. & O.E. Instalments Due AUG 31,2022 1,224.68 School Support: No Support
OCT 31,2022 1,224.00

FIRST INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-040-16501-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE ▸ AUG 31,2022

Balance Forward: 0.00

1,224.68

TOTAL AMOUNT ▸ 1,224.68

TAX BILL

SECOND INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-040-16501-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE ▸ OCT 31,2022

1,224.00

TOTAL AMOUNT ▸ 1,224.00

TAX BILL

2022 FINAL

THE CORPORATION OF THE TOWN OF PETROLIA
MUNICIPAL OFFICE
411 GREENFIELD STREET, PETROLIA, ON, N0N 1R0
INFORMATION & ENQUIRES: PHONE (519) 882-2350

TAX BILL

August 3, 2022
BILLING DATE

PLEASE QUOTE ROLL NO. WHEN MAKING INQUIRES

COUNTY MUN		MAP	SUB	PARCEL	TENAT
38	19	000	080	07900	0000

MORTGAGE NO.

MORTGAGE COMPANY

PENALTY RATE 1.250 %

BLUEWATER POWER DISTRIBUTION
CORPORATION
855 CONFEDERATION ST
SARNIA ON N7T 2E4

PROPERTY DESCRIPTION
PROGRESS DR
ENNISKILLEN CON 11 PT LOT 15
RP 25R6515 PARTS 1 AND 2
REG
5984.20SF 50.00FR D

Assessment		Municipal						Education	
Tax Class	Value	Municipal Levies	Tax Rate	Amount	Municipal Levies	Tax Rate	Amount	Tax Rate	Amount
IH - INDUSTRIAL - PIL	6,100	General	0.01962487	119.71	County	0.00932585	56.89	0.01250000	76.25
Sub Totals			General Levy:	119.71		County Levy:	56.89	Education Levy:	76.25

Special Charges/Credits		Summary	
		Tax Levy Sub-Total (Municipal + Education)	252.85
		Special Charges/Credits	0.00
		Phase-in Summary	0.00
		2022 Tax Cap Adjustment	0.00
		Total 2022 Taxes	252.85
		Less Previous Interim	114.00
		Past Due/Credit (As of 08/03/2022)	0.00
Total	0.00	Total Amount Due	138.85

E. & O.E.

Instalments Due	AUG 31,2022	69.85
	OCT 31,2022	69.00

School Support: No Support

FIRST INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-080-07900-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE ▸ AUG 31,2022

Balance Forward: 0.00

69.85

TOTAL AMOUNT ▸ 69.85

TAX BILL

SECOND INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-080-07900-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE ▸ OCT 31,2022

69.00

TOTAL AMOUNT ▸ 69.00

TAX BILL

2022 FINAL

THE CORPORATION OF THE TOWN OF PETROLIA

MUNICIPAL OFFICE
411 GREENFIELD STREET, PETROLIA, ON, N0N 1R0
INFORMATION & ENQUIRES: PHONE (519) 882-2350

TAX BILL

August 3, 2022
BILLING DATE

PLEASE QUOTE ROLL NO. WHEN MAKING INQUIRES	COUNTY MUN	MAP	SUB	PARCEL	TENAT
	38 19	000	080	07907	0000

MORTGAGE NO.	MORTGAGE COMPANY	PENALTY RATE
		1.250 %

BLUEWATER POWER DISTRIBUTION
CORPORATION
855 CONFEDERATION ST
SARNIA ON N7T 2E4

PROPERTY DESCRIPTION
4494 PROGRESS DR
CON 11 PT LOT 15 RP 25R6725
PART 1 PART 2
IRREG
1.01AC 125.00FR 350.07D

Assessment		Municipal						Education	
Tax Class	Value	Municipal Levies	Tax Rate	Amount	Municipal Levies	Tax Rate	Amount	Tax Rate	Amount
CT - COMMERCIAL - FULLY OCCUP	138,900	General	0.01559488	2,166.13	County	0.00741078	1,029.36	0.00880000	1,222.32
CU - COMMERCIAL - EXCESS LANE	6,100	General	0.01091642	66.59	County	0.00518755	31.64	0.00880000	53.68
Sub Totals			General Levy:	2,232.72		County Levy:	1,061.00	Education Levy:	1,276.00

Special Charges/Credits		Summary	
		Tax Levy Sub-Total (Municipal + Education)	4,569.72
		Special Charges/Credits	0.00
		Phase-in Summary	0.00
		2022 Tax Cap Adjustment	0.00
		Total 2022 Taxes	4,569.72
		Less Previous Interim	2,274.00
		Past Due/Credit (As of 08/03/2022)	0.00
Total	0.00	Total Amount Due	2,295.72

E. & O.E. Instalments Due AUG 31,2022 1,148.72 School Support: No Support
OCT 31,2022 1,147.00

FIRST INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-080-07907-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE ▸ AUG 31,2022

Balance Forward: 0.00

1,148.72

TOTAL AMOUNT ▸ 1,148.72

TAX BILL

SECOND INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-080-07907-0000
BLUEWATER POWER DISTRIBUTION

DUE DATE ▸ OCT 31,2022

1,147.00

TOTAL AMOUNT ▸ 1,147.00

TAX BILL

2022 FINAL

THE CORPORATION OF THE TOWN OF PETROLIA
MUNICIPAL OFFICE
411 GREENFIELD STREET, PETROLIA, ON, N0N 1R0
INFORMATION & ENQUIRES: PHONE (519) 882-2350

TAX BILL

August 3, 2022
BILLING DATE

PLEASE QUOTE ROLL NO. WHEN MAKING INQUIRES	COUNTY MUN	MAP	SUB	PARCEL	TENAT
➡	38 19	000	031	10800	0000

MORTGAGE NO.

MORTGAGE COMPANY

PENALTY RATE 1.250 %

BOCK LAWRENCE CARSON
DUPUIS JACQUELINE YVETTE
4111 DUFFERIN AVE
PETROLIA ON N0N 1R0

PROPERTY DESCRIPTION
4111 DUFFERIN AVE
PLAN 64 BLK I LOT 1
REG
0.17AC 50.00FR 150.00D

Assessment		Municipal						Education	
Tax Class	Value	Municipal Levies	Tax Rate	Amount	Municipal Levies	Tax Rate	Amount	Tax Rate	Amount
RT - RESIDENTIAL - FULLY OCCUP	131,000	General	0.00958446	1,255.56	County	0.00455459	596.65	0.00153000	200.43
Sub Totals			General Levy:	1,255.56		County Levy:	596.65	Education Levy:	200.43

Special Charges/Credits		Summary	
		Tax Levy Sub-Total (Municipal + Education)	2,052.64
		Special Charges/Credits	0.00
		Phase-in Summary	0.00
		2022 Tax Cap Adjustment	0.00
		Total 2022 Taxes	2,052.64
		Less Previous Interim	1,020.00
		Past Due/Credit (As of 08/03/2022)	0.00
Total	0.00	Total Amount Due	1,032.64

E. & O.E. Instalments Due AUG 31,2022 516.64
OCT 31,2022 516.00

School Support: English Public

Explanation of Tax Changes

Property Class(es): RESIDENTIAL

2021 Year End Taxes	Total Year Over Year Change	2022 Taxes
2,041.34	11.30	2,052.64

Explanation of Tax Changes

Final 2021 Levies	2,041.34
* 2021 Annualized Taxes	2,041.34
2022 Local Municipal Levy Change	-2.13
2022 Upper-Tier Municipal Levy Change	13.43
2022 Provincial Education Levy Change	0.00
2022 Tax Change Due to Reassessment	0.00
** Final 2022 Levies	2,052.64

* An annualized tax figure is used in this analysis to compensate for mid-year adjustments in tax treatment or assessment value. If a property did not have any mid-year adjustments,the annualized taxes should equal the Final 2021 levies listed above.

** Final levy amount applies only to the property or portion(s) of property referred to in this notice and may not include some special charges and credit amounts.

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Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-031-10800-0000
BOCK LAWRENCE CARSON

DUE DATE ▸ AUG 31,2022

Balance Forward: 0.00

516.64

TOTAL AMOUNT ▸ 516.64

TAX BILL

SECOND INSTALMENT

PLEASE MAIL THIS STUB WITH YOUR CHEQUE PAYABLE TO:
THE CORPORATION OF THE
Town of Petrolia
411 Greenfield Street, Petrolia, On N0N 1R0
(519) 882-2350
ROLL NUMBER

38-19-000-031-10800-0000
BOCK LAWRENCE CARSON

DUE DATE ▸ OCT 31,2022

516.00

TOTAL AMOUNT ▸ 516.00

TAX BILL