EXHIBIT 6
REVENUE REQUIREMENT

2025 Cost of Service

Centre Wellington Hydro Ltd.
EB-2024-0012

Filed on: May 1, 2024

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6.2 PROPOSED REVENUE REQUIREMENT

6.2.1 PROPOSED REVENUE REQUIREMENT

CWH's revenue requirement represents the amount of money that a utility must receive from its customers to cover its costs, operating expenses, taxes, interest paid on debts owed to investors and the deemed return (profit).

The proposed Base Revenue Requirement of $4,827,272, which represents the revenue to be recovered from base distribution rates, is equal to the total Service Revenue Requirement of $5,182,754 less Revenue Offsets of $355,482 derived from other revenue sources.

Table 1 below presents CWH's proposed 2025 Revenue Requirement.

Table 1: Test Year Revenue Requirement

Particulars	Application
OM&A Expenses	$3,130,127
Amortization/Depreciation	$722,029
Property Taxes	$13,926
Income Taxes (Grossed up)	$ -
Other Expenses	$ -
Return	
Deemed Interest Expense	$570,193
Return on Deemed Equity	$746,479
Service Revenue Requirement (before Revenues)	$5,182,754
Revenue Offsets	$355,482
Base Revenue Requirement	$4,827,272
(excluding Transformer Ownership Allowance credit adjustment)	
Distribution revenue	$4,827,272
Other revenue	$355,482
Total revenue	$5,182,754

CWH confirms that the OEB's 2025 Revenue Requirement (from the RRWF) accurately reflects its rates for the 2025 Test Year, and therefore there is no requirement for the applicant to file its rate generator model.

The proposed revenue requirement proposes to yield a net income of $746,479. The derivation of the income is shown at Table 2: Utility Income (RRWF Model). Table 2b shows the calculation for the bridge year forecast of revenues at existing rates.

Table 2: Utility Income (RRWF Model)

Operating Revenues:		
Distribution Revenue (at Proposed Rates)		$4,827,272
Other Revenue	(1)	$355,482
Total Operating Revenues		$5,182,754
Operating Expenses:		
OM+A Expenses		$3,130,127
Depreciation/Amortization		$722,029
Property taxes		$13,926
Capital taxes		$ -
Other expense		$ -
Subtotal (lines 4 to 8)		$3,866,081
Deemed Interest Expense		$570,193
Total Expenses (lines 9 to 10)		$4,436,275
Utility income before income taxes		$746,479
Income taxes (grossed-up)		$ -
Utility net income		$746,479

Table 2b: Projected 2024 Revenues at Existing 2024 Rates Using The 2024 Load Forecast.

2024 Rates at 2024 Load

	Bridge Year Projected Revenue from Existing Variable Charges							
Customer Class Name	**Variable Distribution Rate**	**per**	**Test Year Volume**	**Gross Variable Revenue**	**Transform. Allowance Rate**	**Transform. Allowance kW's**	**Transform. Allowance $'s**	**Net Variable Revenue**
Residential	$0.0000	kWh	46,774,066	$0.00			$0.00	$0.00
General Service < 50 kW	$0.0254	kWh	23,024,492	$585,892.54			$0.00	$585,892.54
General Service 50 to 2999 kW	$4.8997	kW	189,205	$928,745.90	-0.60	125597	-$75,358.20	$853,387.70
General Service 3000-4999 kW	$3.7142	kW	0	$0.00			$0.00	$0.00
Unmetered Scattered Load	$0.0142	kWh	561,768	$8,051.35			$0.00	$8,051.35
Sentinel Lighting	$17.8733	kW	92	$1,650.13			$0.00	$1,650.13
Street Lighting	$12.3517	kW	1,486	$18,538.34			$0.00	$18,538.34
Total Variable Revenue			**70,684,456**	**$1,542,878.26**		125597	-$75,358.20	$1,467,520.06

2024 Rates at 2024 Load

	Bridge Year Projected Revenue from Existing Variable Charges							
Customer Class Name	**Fixed Rate**	**Customers (Connections)**	**Fixed Charge Revenue**	**Variable Revenue**	**TOTAL**	**% Fixed Revenue**	**% Variable Revenue**	**% Total Variable Revenue**
Residential	$33.7900	6,794	$2,754,993.68	$0.00	$2,754,993.68	100.00%		59.01%
General Service < 50 kW	$24.3800	809	$236,656.45	$585,892.54	$822,548.99	28.77%	71.23%	17.62%
General Service 50 to 2999 kW	$198.9300	62	$148,490.09	$853,387.70	$1,001,877.79	14.82%	85.18%	21.46%
General Service 3000-4999 kW	$801.6900	0	$0.00	$0.00	$0.00			
Unmetered Scattered Load	$9.1500	13	$1,376.04	$8,051.35	$9,427.39	14.60%	85.40%	0.20%
Sentinel Lighting	$6.7500	25	$2,015.40	$1,650.13	$3,665.53	54.98%	45.02%	0.08%
Street Lighting	$2.5500	1,890	$57,845.80	$18,538.34	$76,384.14	75.73%	24.27%	1.64%
Total Fixed Revenue		**9,593**	**$3,201,377.46**	**$1,467,520.06**	**$4,668,897.52**			

Table 3: Statement of Rate Base (RRWF Model)

Particulars	Capitalization Ratio		Cost Rate	Return
	Initial Application			
	(%)	($)	(%)	($)
Debt				
Long-term Debt	56.00%	$11,347,130	4.58%	$519,699
Short-term Debt	4.00%	$810,509	6.23%	$50,495
Total Debt	60.00%	$12,157,639	4.69%	$570,193
Equity				
Common Equity	40.00%	$8,105,093	9.21%	$746,479
Preferred Shares	0.00%	$ -	0.00%	$ -
Total Equity	40.00%	$8,105,093	9.21%	$746,479
Total	100.00%	$20,262,732	6.50%	$1,316,672

6.2.2 REVENUE REQUIREMENT TREND

Table 4 below presents CWH's Revenue Requirement trend starting from the 2018 Board Approved all the way to the 2025 proposed Revenue Requirement.

Table 4: Trend in Revenue Requirement

Particular	Last Board Approved	2018	2019	2020	2021	2022	2023	2024	2025
OM&A Expenses	$2,344,300	$2,426,593	$2,573,894	$2,433,079	$2,423,285	$2,692,398	$2,768,957	$2,940,005	$3,130,127
Depreciation Expense	$579,600	$574,190	$584,250	$624,236	$627,917	$654,140	$653,124	$691,503	$722,029
Property Taxes	$19,200	$15,523	$12,332	$11,111	$12,433	$8,619	$11,588	$13,390	$13,926
Total Distribution Expenses	$2,943,100	$3,016,307	$3,170,476	$3,068,426	$3,063,634	$3,355,157	$3,433,669	$3,644,898	$3,866,081
Regulated Return On Capital	$1,014,937	$1,004,953	$1,049,871	$1,084,916	$1,065,181	$1,061,113	$1,065,181	$1,206,443	$1,316,672
Grossed up PILs	$0	$0	-$237,202	$182,631	$33,157	$53,883	$46,293	$0	$0
Service Revenue Requirement	**$3,958,037**	**$4,021,260**	**$3,983,145**	**$4,335,973**	**$4,161,972**	**$4,470,153**	**$4,545,142**	**$4,851,341**	**$5,182,754**
Less: Revenue Offsets	-$292,400	-$422,929	-$298,404	-$279,620	-$287,109	-$295,230	-$439,432	-$382,211	-$355,482
Base Revenue Requirement	**$3,665,637**	**$3,598,331**	**$3,684,740**	**$4,056,353**	**$3,874,863**	**$4,174,924**	**$4,105,710**	**$4,469,129**	**$4,827,272**
								CAGR	**3.5%**

Table 5 - Variance Analysis of Revenue Requirement

Particular	Last Board Approved	2018	2019	2020	2021	2022	2023	2024	2025	Variance over last CoS
OM&A Expenses	2,344,300	2,426,593	2,573,894	2,433,079	2,423,285	2,692,398	2,768,957	2,940,005	3,130,127	
Year over year change ($)		*82,293*	*147,300*	*-140,814*	*-9,795*	*269,113*	*76,559*	*171,048*	*190,122*	*785,827*
Year over year change (%)		*3.51%*	*6.07%*	*-5.47%*	*-0.40%*	*11.11%*	*2.84%*	*6.18%*	*6.47%*	*33.52%*
Depreciation Expense	579,600	574,190	584,250	624,236	627,917	654,140	653,124	691,503	722,029	
Year over year change ($)		*-5,410*	*10,059*	*39,986*	*3,681*	*26,223*	*-1,016*	*38,379*	*30,526*	*142,429*
Year over year change (%)		*-0.93%*	*1.75%*	*6.84%*	*0.59%*	*4.18%*	*-0.16%*	*5.88%*	*4.41%*	*24.57%*
Property Taxes	19,200	15,523	12,332	11,111	12,433	8,619	11,588	13,390	13,926	
Year over year change ($)		*-3,677*	*-3,190*	*-1,222*	*1,322*	*-3,814*	*2,969*	*1,802*	*536*	*-5,274*
Year over year change (%)			*-20.55%*	*-9.91%*	*11.90%*	*-30.67%*	*34.44%*	*15.55%*	*4.00%*	*-27.47%*
Total Distribution Expenses	2,943,100	3,016,307	3,170,476	3,068,426	3,063,634	3,355,157	3,433,669	3,644,898	3,866,081	
Year over year change ($)		*73,207*	*154,169*	*-102,050*	*-4,792*	*291,523*	*78,512*	*211,229*	*221,184*	*922,981*
Year over year change (%)		*2.49%*	*5.11%*	*-3.22%*	*-0.16%*	*9.52%*	*2.34%*	*6.15%*	*6.07%*	*31.36%*
Regulated Return On Capital	1,014,937	1,004,953	1,049,871	1,084,916	1,065,181	1,061,113	1,065,181	1,206,443	1,316,672	
Year over year change ($)		*-9,984*	*44,918*	*35,045*	*-19,735*	*-4,067*	*4,067*	*141,262*	*110,229*	*301,707*
Year over year change (%)		*-0.98%*	*4.47%*	*3.34%*	*-1.82%*	*-0.38%*	*0.38%*	*13.26%*	*9.14%*	*29.73%*
Grossed up PILs	0	0	-237,202	182,631	33,157	53,883	46,293	0	0.00	
Year over year change ($)		*0*	*-237,202*	*419,833*	*-149,474*	*20,726*	*-7,590*	*-46,293*	*0.00*	*0*
Year over year change (%)		*0.00%*		*176.99%*	*-81.84%*	*62.51%*	*-14.09%*	*-100.00%*		*0.00%*
Service Revenue Requirement	**3,958,037**	**4,021,260**	**3,983,145**	**4,335,973**	**4,161,972**	**4,470,153**	**4,545,142**	**4,851,341**	**5,182,754**	
Year over year change ($)		*63,223*	*-38,115*	*352,828*	*-174,011*	*308,181*	*74,989*	*306,199*	*331,413*	*1,224,717*
Year over year change (%)		*1.60%*	*-0.95%*	*8.86%*	*-4.01%*	*7.40%*	*1.68%*	*6.74%*	*6.83%*	*30.94%*
Less: Revenue Offsets	-292,400	-422,929	-298,404	-279,620	-287,109	-295,230	-439,432	-382,211	-355,482	
Year over year change ($)		*-130,529*	*124,525*	*18,784*	*-7,489*	*-8,121*	*-144,203*	*57,221*	*26,729*	*-63,082*
Year over year change (%)		*-44.64%*	*29.44%*	*6.29%*	*-2.68%*	*-2.83%*	*-48.84%*	*13.02%*	*6.99%*	*-21.57%*
Base Revenue Requirement	**3,665,637**	**3,598,331**	**3,684,740**	**4,056,353**	**3,874,863**	**4,174,924**	**4,105,710**	**4,469,129**	**4,827,272**	
Year over year change ($)		*-67,306*	*86,409*	*371,612*	*-181,489*	*300,060*	*-69,214*	*363,419*	*358,142*	*1,161,635*
Year over year change (%)		*-1.84%*	*2.40%*	*10.09%*	*-4.47%*	*7.74%*	*-1.66%*	*8.85%*	*8.01%*	*31.69%*

<u>Important Year-Over-Year Changes</u>

The variances in the year over year OM&A expenses are explained in detail at Exhibit 4, which directly impacts the change in revenue requirement.

CWH shows an increase in capital spending each year from 2018 to 2025 to ensure a safe and reliable distribution system that CWH's customers expect. Further details and descriptions of capital spending can be found in Exhibit 2, and further within CWH's DSP.

In 2025, CWH has an increase in the regulated return on capital of $301K. The same cost rate percentages were used in the calculation of the Regulated Return on Capital for 2018 and 2025. Therefore the increase is strictly due to an increase in capital spending; further details on the capital spending can be seen in the DSP in Exhibit 2.

CWH is not including an amount for PILs in the 2025 rates, this is the same as in 2018. Between 2018 and 2023 CWH has taken the accelerated CCA, however for 2024, the bridge year, and 2025, the test year, CWH is proposing to not take the accelerated CCA. CWH would have been able to maintain zero PILs in 2018 to 2023 even had the Accelerated CCA related credits not been used. CWH has a large loss carryover and expects that PILs will remain zero to at least 2029. Further details are found in Section 6.6.2.

In 2025 revenue offsets are $63K higher than 2018. Further details on the reasons for the increases/reductions year-over-year can be found in Section 6.7 of Exhibit 6 – Variance Analysis of other operating revenues 2018-2025.

The working capital allowance rate remains at 7.5%, as it was for the approved 2018 CoS. The decrease in working capital allowance of $60K from the 2018 Board Approved is marginal as the increase in controllable expenses is offset by a reduction in cost of power expenses.

Table 6: Variance Analysis of Revenue Requirement and Rate Base

Particular	**2018**	**2025**	**Difference**	**Var %**
Long Term Debt	4.04%	4.58%	0.54%	
Short Term Debt	2.29%	6.23%	3.94%	
Return on Equity	9.00%	9.21%	0.21%	
Weighted Debt Rate	3.92%	4.69%	0.77%	
Regulated Rate of Return	**5.95%**	**6.50%**	**0.54%**	
Controllable Expenses	$2,363,500	$3,144,053	$780,553	33.03%
Power Supply Expense	$17,927,954	$16,343,031	-$1,584,923	-8.84%
Total Eligible Distribution Expenses	$20,291,454	$19,487,083	-$804,370	-3.96%
Working Capital Allowance Rate	7.50%	7.50%	0.00%	0.00%
Total Working Capital Allowance ("WCA")	**$1,521,859**	**$1,461,531**	**-$60,328**	**-3.96%**
Fixed Asset Opening Bal Bridge Year	$27,128,241	$34,029,887	$6,901,646	25.44%
Fixed Asset Opening Bal Test Year	-$11,603,322	-$15,228,686	-$3,625,364	31.24%
Average Fixed Asset	$15,524,919	$18,801,201	$3,276,282	21.10%
Working Capital Allowance	$1,521,859	$1,461,531	-$60,328	-3.96%
Rate Base	**$17,046,778**	**$20,262,732**	**$3,215,954**	**18.87%**
Regulated Rate of Return	5.95%	6.50%	0.54%	
Regulated Return on Capital	**$1,014,937**	**$1,316,672**	**$301,735**	**29.73%**
Deemed Interest Expense	$401,253	$570,193	$168,940	42.09%
Deemed Return on Equity	$613,684	$746,479	$132,795	21.64%
OM&A	$2,363,500	$3,144,053	$780,553	33.03%
Depreciation Expense	$579,600	$722,029	$142,429	24.57%
PILs	$0	$0	$0	100.00%
Revenue Offset	-$292,400	-$355,482	-$63,082	21.57%
Revenue Requirement	**$3,665,637**	**$4,827,272**	**$1,161,635**	**31.69%**

Variances – 2018 Board Approved to 2025 Test Year

Working Capital Allowance

As can be seen from the table above, the Working Capital Allowance (“WCA”) has decreased $60K or 4% from the 2018 Board Approved amount. The main cause is the decrease in the power supply expenses.

Rate Base

The Rate Base for 2025 reflects an increase of $3.2M. There is not just one main factor contributing to the change in the rate base, between 2018 and 2023 CWH averaged an annual capital expenditure of $1.076M (excluding capital contributions received). The details on the historical and planned capital projects are included in the DSP in Appendix B of Exhibit 2. Between 2025 and 2029, CWH is projecting an average annualized spend of $2M; this increased spend is primarily due to a new station being built in 2026. The average annualized spend excluding the new station is $1.3M.

Revenue Requirement

The proposed base revenue requirement of $4.8M for the test year is $1.16M or 31.69% higher than the 2018 Cost of Service approved Base Revenue Requirement.

A contributor to the increase is the OM&A (Controllable) expenses of $781K which are detailed in Exhibit 4.

Another contributing factor to the increase in the base revenue requirement is the increase in the Regulated Return on Capital. The Return on Capital between 2025 and the 2018 Board Approved increased by $302K due to the $3.46M net average net fixed asset increase; this is discussed in Exhibit 2.

Depreciation increased by $142K in the Test Year due to a large amount of capital investment in CWH. One of the largest capital jobs completed in the last DSP was replacing a transformer at one of CWH's distribution stations; this had a cost of $784K and was energized in 2019.

6.2.3 REQUESTED AND INDICATED RATE OF RETURN

The requested rate of return is 6.50% as per the OEB prescribed Cost of Capital Parameters. Details of the calculation can be found at 6.2.1 of this exhibit.

6.2.4 UTILITY INCOME AT PROPOSED REVENUE REQUIREMENT

Table 7: Utility Income under proposed Revenue Requirement

Operating Revenues:		
Distribution Revenue (at Proposed Rates)		$4,827,272
Other Revenue	(1)	$355,482
Total Operating Revenues		$5,182,754
Operating Expenses:		
OM+A Expenses		$3,130,127
Depreciation/Amortization		$722,029
Property taxes		$13,926
Capital taxes		$ -
Other expense		$ -
Subtotal (lines 4 to 8)		$3,866,081
Deemed Interest Expense		$570,193
Total Expenses (lines 9 to 10)		$4,436,275
Utility income before income taxes		$746,479
Income taxes (grossed-up)		$ -
Utility net income		$746,479

6.3 OPERATION, MAINTENANCE AND ADMINISTRATIVE COSTS

The OM&A variance between 2018BA to 2025, which increased by $781K, is summarized below and details are presented throughout Exhibit 4.

6.4 DEPRECIATION EXPENSES

The depreciation expense has increased proportionately with the increase in net fixed assets. Details of historical capital expenses and their related depreciation expenses are presented in detail in Exhibit 2.

6.5 RETURN ON CAPITAL

The regulated return on capital, summarized in Tables 4, 5 and 6 above, increased by $301.7K and is explained in Exhibit 5.

6.6 TAXES AND PAYMENT IN LIEU OF TAXES

CWH is exempt from corporate income tax federally and provincially but is required to file an exempt return with the Canada Revenue Agency and if the return warrants, make payments in lieu of federal and provincial corporate tax to the Ontario Ministry of Finance (“Ministry”).

At the time of filing CWH has not filed its 2023 PILs return with the Ministry, therefore the Notice of Assessment is outstanding.

CWH’s external auditor, KPMG, has used the 2025 OEB PILs Tax Work Form model to calculate the amount of taxes for inclusion in its 2025 rates, using the taxable income for the 2025 Test Year provided by CWH. PILs have been computed under MIFRS accounting policies. CWH in conjunction with KPMG have ensured that the current and proposed tax rates have been applied, that the amount of PILs calculated appears reasonable, and that the integrity checks established in the Boards Minimum Filing Requirements have been adhered to. Similar to CWH’s 2018 CoS application, CWH's PILs are projected to be $0.

With the assistance of KPMG, there were some cell references in the 2025 PILs model that required the model to be unlocked and changed. CWH previously shared the changes with CWH’s case manager prior to submitting the application.

- B1 Sch 1 Taxable Income Bridge
    - Recapture of CCA from Schedule 8 in cell F14. Original formula was capturing the incorrect column – ‘Proceeds of Disposition’ column in column S. Corrected the formula to capture the recapture of CCA column in column Y.
    - CCA from Schedule 8 in cell F71. The original formula was capturing the incorrect column, column U – ‘Relevant Factor’ column. Corrected the formula to capture the correct CCA line in column AA.

  - Terminal loss from Schedule 8 in cell F72. Original formula was capturing the incorrect column, column T – 'Net capital cost additions of AIIP and property…' column. Corrected to capture the correct terminal loss line in column Z.
- T8 Sch 8 CCA Test – original formula in column D, UCC beginning of the test year, was capturing the incorrect amount from the B8 Sch 8 CCA Bridge tab. The original formula was capturing column W. Column W is the 'UCC adjustment for non-AIIP…'. Corrected the formula to capture the actual ending UCC balance for the bridge year in column AB.

There have been no exceptional circumstances that would require specific tax planning measures to minimize taxes payable.

CWH is currently undergoing a PILs audit with the Ministry of Finance for the years 2020 and 2021. Aside from this there are no outstanding audits, reassessments, or disputes relating to the tax returns filed by CWH.

The income tax sheet from the OEB's Revenue Requirement Work form is presented in Table 8 - Tax Provision for the Test Year (RRWF Model) below, and the PILs model is being filed in conjunction with CWH's application. The most recent federal and provincial tax returns are presented in Appendix A of this exhibit.

Table 8 - Tax Provision for the Test Year (RRWF Model)

Determination of Taxable Income	
Utility net income before taxes	$746,479
Adjustments required to arrive at taxable utility income	$ -
Taxable income	$746,479
Calculation of Utility income Taxes	
Income taxes	$ -
Total taxes	$ -
Gross-up of Income Taxes	$ -
Grossed-up Income Taxes	$ -
PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$ -
Other tax Credits	$ -
Tax Rates	
Federal tax (%)	10.56%
Provincial tax (%)	5.36%
Total tax rate (%)	15.92%

CWH is not claiming any Apprenticeship Training Tax Credits in 2025. For the 2024 Bridge Year and 2025 Test Year, CWH has not taken advantage of the Accelerated CCA legislation, due to having such a large loss carry forward.

CWH confirms that it uses the stand-alone principle when determining PILs amounts.

- ✓ CWH has exercised sound tax planning, and that for rate-setting purposes, it maximized tax credits between 2018 and 2023 if it made sense for the utility to do so.
- ✓ A copy of the most current Federal and Provincial taxes is presented in Appendix A of CWH's Exhibit.
- ✓ Detailed calculations of Income Tax or PILs are shown in the OEB PILs model filed along with CWH's application.

Similar to CWH's 2018 CoS application, CWH's PILs for this 2025 CoS are projected to be $0, as the current loss carry forward amount is anticipated to be used in future years and allow CWH to continue to have $0 PILs. Based on the forecast tax-loss carry forwards that will be available to CWH even after reducing the test year PILs to $0 and in consideration of the forecast capital plan, CWH expects that its PILs obligation for the 2025 to 2029 period will likely remain at $0 throughout.

6.6.1 NON- RECOVERABLE AND DISALLOWED EXPENSES

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

Only the LEAP funding has been included in the calculation of revenue requirements.

6.6.2 ACCELERATED CCA

CWH has complied with the Accelerated Investment Incentive program, which provides for the first-year increase in CCA deductions on eligible capital assets acquired after November 20, 2018.

CWH consulted KPMG to assist in preparing the PILs model and assessing the impact of AIIP on the CoS. KPMG provided the following statement in response.

"CWH would still have non-capital losses of approx. $1.38 million available to reduce taxable income at the end of 2023 and that *no PILs would arise in the years 2018 to 2023."*

CWH has not recorded the impact of the CCA rules changes in Account 1592 - PILs and Tax Variances – CCA Changes for November 21, 2018. In CWH's 2018 Board Approved the PILs value is $0 therefore there has been no value to split with the customers. CWH is proposing a PILs value of $0 in this current application as well. As a result of the exercise above, CWH did not require the use of the Accelerated CCA to ensure their PILs amount remained at zero, therefore all the value of Accelerated CCA is being brought forward. In other words, instead of recording (fictional) tax savings because of the application of Accelerated CCA from 2018 to 2023, the Accelerated CCA credits created between 2018 and 2023 are being brought forward to the credit of ratepayers in the test year and beyond.

As a result of CWH's election not to take Accelerated CCA in the 2024 bridge and 2025 Test years, there will be no amounts recorded in Account 1592 to reflect the impact of Accelerated CCA in 2024 or the impact of the phase out of Accelerated CCA between 2024 and 2027.

6.6.3 PILS INTEGRITY CHECK

CWH confirms to the best of their knowledge that the following integrity checks have been completed in its application. In completing the PILs model, KPMG confirms that:

- ✓ The depreciation and amortization added back in the application's PILs model agree with the numbers disclosed in the rate base section of the application.
- ✓ The capital additions and deductions in the UCC/ CCA Schedule 8 agree with the rate base section for historical, bridge, and test years.
- ✓ Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31st historic year UCC that agrees with the opening bridge year UCC at January 1st;
- ✓ The CCA deductions in the application's PILs tax model for historical, bridge, and test years agree with the numbers in the UCC schedules for the same years filed in the application.
- ✓ Loss carryforwards, if any, from the tax returns (Schedule 4) agree with those disclosed in the application.
- ✓ CCA is maximized even if there are tax loss carry-forwards, subject to CWH's election to forego accelerated CCA beginning in 2024; and
- ✓ A statement is included in the application as to when the losses, if any, will be fully utilized.

6.6.4 OTHER TAXES

CWH does not include USoA 6105 within their OM&A totals. The value in this account is the amount CWH pays in property taxes to the Township of Centre Wellington.

6.7 OTHER REVENUES

6.7.1 OVERVIEW OF OTHER REVENUE

Other Distribution Revenues are revenues that are distribution related but are sourced from means other than distribution rates. For this reason, other revenues are deducted from CWH's proposed revenue requirement. Further details on the derivation of the Revenue Requirement can be found within this exhibit.

Other Distribution Revenues include items such as:

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

A detailed breakdown by USoA account is shown in Table 9 - OEB Appendix 2-H presented on the next page. Year over year variance analysis follows in section 6.7.2 - Other Revenue Variance Analysis.

Table 9: Appendix 2-H Other Operating Revenue

	2018	2018	2019	2020	2021	2022	2023	2024	2025
	Board Appr	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected
4082-Retail Services Revenues	-$7,900	-$6,508	-$9,785	-$10,841	-$10,001	-$10,657	-$10,640	-$10,486	-$11,414
4084-Service Transaction Requests (STR) Revenues	-$100	-$47	-$94	-$67	-$45	-$39	-$34	-$36	-$38
4086-SSS Administration Revenue	-$19,500	-$20,178	-$20,555	-$21,030	-$21,504	-$21,818	-$21,939	-$22,100	-$22,100
Total	**-$27,500**	**-$26,733**	**-$30,433**	**-$31,938**	**-$31,550**	**-$32,514**	**-$32,612**	**-$32,622**	**-$33,552**
4210-Rent from Electric Property	-$78,200	-$79,642	-$79,609	-$79,903	-$81,583	-$89,034	-$89,334	-$90,278	-$92,627
4215-Other Utility Operating Income	-$14,300	$0	$0	$0	$0	$0	$0	$0	$0
4225-Late Payment Charges	$0	-$10,834	-$8,701	-$6,790	-$8,519	-$8,684	-$8,068	-$8,068	-$8,068
4235-Miscellaneous Service Revenues	-$124,600	-$126,030	-$105,908	-$97,032	-$100,984	-$74,561	-$103,037	-$92,542	-$134,081
4245-Government Assistance Directly Credited to Income	$0	-$11,096	-$20,674	-$21,301	-$22,709	-$24,023	-$24,902	-$23,600	-$23,600
Total	**-$217,100**	**-$227,602**	**-$214,891**	**-$205,026**	**-$213,795**	**-$196,298**	**-$225,341**	**-$214,488**	**-$258,376**
4325-Revenues from Merchandise Jobbing, Etc.	$0	$0	$0	-$318	-$393	$0	-$438	-$452	-$467
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$0	$0	$0	$0	$328	$0	-$1,234	$0	$0
4350-Losses from Disposition of Future Use Utility Plant	-$2,000	$0	$0	$0	$0	$0	$0	$0	$0
4355-Gain on Disposition of Utility and Other Property	$5,500	-$29,031	-$24,000	-$36,500	-$1,157	$0	-$12,000	-$28,000	$0
4360-Loss on Disposition of Utility and Other Property	$0	$30,579	$40,312	$26,304	$35,366	$12,073	$25,592	$21,700	$21,700
4375-Revenues from Non-Utility Operations	-$414,300	-$445,139	-$335,360	-$226,233	-$231,919	-$234,203	-$261,907	-$256,000	-$248,756
4380-Expenses of Non-Utility Operations	$400,000	$334,519	$317,131	$220,989	$206,623	$211,045	$217,861	$204,958	$209,176
4390-Miscellaneous Non-Operating Income	-$6,000	-$6,058	-$7,342	-$5,350	-$33,438	$4,280	-$14,475	-$4,000	-$4,000
Total	**-$16,800**	**-$115,131**	**-$9,259**	**-$21,108**	**-$24,591**	**-$6,805**	**-$46,600**	**-$61,794**	**-$22,347**
4405-Interest and Dividend Income	-$31,000	-$53,463	-$43,784	-$21,542	-$17,174	-$59,612	-$134,879	-$73,307	-$41,207
Total	**-$31,000**	**-$53,463**	**-$43,784**	**-$21,542**	**-$17,174**	**-$59,612**	**-$134,879**	**-$73,307**	**-$41,207**
Miscellaneous Service Revenues	-$124,600	-$126,030	-$105,908	-$97,032	-$100,984	-$74,561	-$103,037	-$92,542	-$134,081
Late Payment Charges	-$14,300	-$10,834	-$8,701	-$6,790	-$8,519	-$8,681	-$8,068	-$8,068	-$8,068
Other Distribution/Operating Revenues	-$105,700	-$117,471	-$130,752	-$133,466	-$135,907	-$145,571	-$148,520	-$146,952	-$150,246
Other Income or Deductions	-$47,800	-$168,594	-$53,044	-$42,332	-$41,699	-$66,417	-$179,807	-$134,649	-$63,087
Total	**-$292,400**	**-$422,929**	**-$298,404**	**-$279,620**	**-$287,109**	**-$295,230**	**-$439,432**	**-$382,211**	**-$355,482**

6.7.2 OTHER REVENUE VARIANCE ANALYSIS

Tables below present year over year variances of Other Operating Revenues:

Table 10: Variance Analysis of Other Operating Revenues 2018 BA – 2018

	2018	2018	Var	Var
	Board Appr	**Actual**	**$**	**%**
4082-Retail Services Revenues	-$7,900	-$6,508	$1,392	-17.62%
4084-Service Transaction Requests (STR) Revenues	-$100	-$47	$53	-53.25%
4086-SSS Administration Revenue	-$19,500	-$20,178	-$678	3.48%
Total	**-$27,500**	**-$26,733**	**$767**	**-2.79%**
4210-Rent from Electric Property	-$78,200	-$79,642	-$1,442	1.84%
4225-Late Payment Charges	-$14,300	-$10,834	-$3,466	24.23%
4235-Miscellaneous Service Revenues	-$124,600	-$126,030	-$1,430	1.15%
4245-Government Assistance Directly Credited to Income	$0	-$11,096	-$11,096	
Total	**-$217,100**	**-$227,602**	**-$10,502**	**4.84%**
4325-Revenues from Merchandise Jobbing, Etc.	$0	$0	$0	
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$0	$0	$0	
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	
4355-Gain on Disposition of Utility and Other Property	-$2,000	-$29,031	-$27,031	-1351.56%
4360-Loss on Disposition of Utility and Other Property	$5,500	$30,579	-$25,079	-455.98%
4375-Revenues from Non-Utility Operations	-$414,300	-$445,139	-$30,839	7.44%
4380-Expenses of Non-Utility Operations	$400,000	$334,519	-$65,481	-16.37%
4390-Miscellaneous Non-Operating Income	-$6,000	-$6,058	-$58	0.97%
Total	**-$16,800**	**-$115,131**	**-$98,331**	585.30%
4405-Interest and Dividend Income	-$31,000	-$53,463	-$22,463	72.46%
Total	**-$31,000**	**-$53,463**	**-$22,463**	72.46%
Miscellaneous Service Revenues	-$124,600	-$126,030	-$1,430	1.15%
Late Payment Charges	-$14,300	-$10,834	$3,466	-24.23%
Other Distribution/Operating Revenues	-$105,700	-$117,471	-$11,771	11.14%
Other Income or Deductions	-$47,800	-$168,594	**-$120,794**	252.71%
Total	**-$292,400**	**-$422,929**	**-$130,529**	44.64%

Account 4355 - Gain on Disposition and account 4360 - Loss on Disposition were both higher in 2018 than what was in the Board Approved values. Regarding the gain, CWH sold a bucket truck for $28,000. With respect to the losses in 2018, CWH's largest loss was for smart meters that were removed prior to their end of life as they were not functioning properly, and this accounted for $14K of the loss. Other losses occurred within poles, overhead conductor, and transformers.

Account 4375 - Revenues from Non-Utility Operations, increased by $30,839. The difference is made up of $14K more in water/wastewater revenue and $17K in CDM revenues.

Account 4380 - Expenses for Non-Utility Operations, decreased by $65,481. This amount consists of fewer dollars being charged for CDM expenditures of $70,159 for incentives and expenditures for 2018.

Account 4405 - Interest and Dividend Income, increased by $22K. Of this change $10K was due to earning more interest on CWH's cash bank balance and the remaining was for interest earned on RSVA/RVCA accounts which will be disposed of when they are eligible, if not already disposed of.

Table 11: Variance Analysis of Other Operating Revenues 2018 – 2019

	2018	2019	Var	Var
	Actual	**Actual**	**$**	**%**
4082-Retail Services Revenues	-$6,508	-$9,821	-$3,313	50.91%
4084-Service Transaction Requests (STR) Revenues	-$47	-$94	-$47	100%
4086-SSS Administration Revenue	-$20,178	-$20,555	-$377	1.87%
Total	**-$26,733**	**-$30,469**	**-$3,736**	**13.98%**
4210-Rent from Electric Property	-$79,642	-$79,609	$33	-0.04%
4215-Other Utility Operating Income	$0	$0	$0	
4225-Late Payment Charges	-$10,834	-$8,701	$2,134	-19.70%
4235-Miscellaneous Service Revenues	-$126,030	-$105,908	$20,122	-15.97%
4245-Government Assistance Directly Credited to Income	-$11,096	-$20,674	-$9,578	86.33%
Total	**-$227,602**	**-$214,891**	**$12,711**	**-5.58%**
4325-Revenues from Merchandise Jobbing, Etc.	$0	$0	$0	
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$0	$0	$0	
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	
4355-Gain on Disposition of Utility and Other Property	-$29,031	-$24,000	$5,031	-17.33%
4360-Loss on Disposition of Utility and Other Property	$30,579	$40,312	$9,733	31.83%
4375-Revenues from Non-Utility Operations	-$445,139	-$335,360	$109,779	-24.66%
4380-Expenses of Non-Utility Operations	$334,519	$317,131	-$17,388	-5.20%
4390-Miscellaneous Non-Operating Income	-$6,058	-$7,342	-$1,284	21.19%
Total	**-$115,131**	**-$9,259**	**$105,871**	-91.96%
4405-Interest and Dividend Income	-$53,463	-$43,784	$9,679	-18.10%
Total	**-$53,463**	**-$43,784**	**$9,679**	-18.10%
Miscellaneous Service Revenues	-$126,030	-$105,908	$20,122	-15.97%
Late Payment Charges	-$10,834	-$8,701	$2,134	-19.70%
Other Distribution/Operating Revenues	-$117,471	-$130,752	-$13,282	11.31%
Other Income or Deductions	-$168,594	-$53,044	-$115,550	68.54%
Total	**-$422,929**	**-$298,404**	**$124,525**	-29.44%

Account 4235 - Miscellaneous Service Revenues, decreased by $20K. This decrease is primarily due to the Notification of Disconnect fee which was discontinued by the OEB in 2019; this is no longer charged by CWH. This accounts for $17K of the decrease in revenue.

Account 4375 - Revenues from Non-Utility Operations, decreased by $110K. The CDM revenues decreased by $121K.

Table 12: Variance Analysis of Other Operating Revenues 2019 – 2020

	2019	2020	Var	Var
	Actual	**Actual**	**$**	**%**
4082-Retail Services Revenues	-$9,821	-$10,847	-$1,026	10.45%
4084-Service Transaction Requests (STR) Revenues	-$94	-$67	$26	-27.90%
4086-SSS Administration Revenue	-$20,555	-$21,030	-$475	2.31%
Total	**-$30,469**	**-$31,944**	**-$1,475**	**4.84%**
4210-Rent from Electric Property	-$79,609	-$79,903	-$294	0.37%
4215-Other Utility Operating Income	$0	$0	$0	
4225-Late Payment Charges	-$8,701	-$6,790	$1,910	-21.95%
4235-Miscellaneous Service Revenues	-$105,908	-$97,032	$8,876	-8.38%
4245-Government Assistance Directly Credited to Income	-$20,674	-$21,301	-$627	3.03%
Total	**-$214,891**	**-$205,026**	**$9,865**	**-4.59%**
4325-Revenues from Merchandise Jobbing, Etc.	$0	-$317.85	-$318	0%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$0	$0	$0	0%
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	0%
4355-Gain on Disposition of Utility and Other Property	-$24,000	-$36,500	-$12,500	52.08%
4360-Loss on Disposition of Utility and Other Property	$40,312	$26,304	-$14,008	-34.75%
4375-Revenues from Non-Utility Operations	-$335,360	-$226,233	$109,126	-32.54%
4380-Expenses of Non-Utility Operations	$317,131	$220,989	-$96,142	-30.32%
4390-Miscellaneous Non-Operating Income	-$7,342	-$5,350	$1,992	-27.13%
Total	**-$9,259**	**-$21,108.14**	**-$11,849**	127.97%
4405-Interest and Dividend Income	-$43,784	-$21,542	$22,243	-50.80%
Total	**-$43,784**	**-$21,542**	**$22,243**	-50.80%
Miscellaneous Service Revenues	-$105,908	-$97,032	$8,876	-8.38%
Late Payment Charges	-$8,701	-$6,790	$1,910	-21.95%
Other Distribution/Operating Revenues	-$130,752	-$133,466	-$2,714	2.08%
Other Income or Deductions	-$53,044	-$42,332	$10,712	-20.19%
Total	**-$298,404**	**-$279,620**	**$18,784**	-6.29%

The 2 largest variances in 2020 are due to the CDM program winding down, therefore revenues (account 4375) and expenses (account 4380) have both decreased.

In 2020, CWH waived overdue interest for customers during COVID for April and May 2020. There is a small decrease in 4225.This was done to support our customers in a challenging time.

Table 13: Variance Analysis of Other Operating Revenues 2020-2021

	2020	2021	Var	Var
	Actual	**Actual**	**$**	**%**
4082-Retail Services Revenues	-$10,847	-$10,001	$846	-7.80%
4084-Service Transaction Requests (STR) Revenues	-$67	-$45	$22	-33.36%
4086-SSS Administration Revenue	-$21,030	-$21,504	-$474	2.26%
Total	**-$31,944**	**-$31,550**	**$395**	**-1.24%**
4210-Rent from Electric Property	-$79,903	-$81,583	-$1,680	2.10%
4215-Other Utility Operating Income	$0	$0	$0	
4225-Late Payment Charges	-$6,790	-$8,519	-$1,729	25.46%
4235-Miscellaneous Service Revenues	-$97,032	-$100,984	-$3,952	4.07%
4245-Government Assistance Directly Credited to Income	-$21,301	-$22,709	-$1,408	6.61%
Total	**-$205,026**	**-$213,795**	**-$8,768**	**4.28%**
4325-Revenues from Merchandise Jobbing, Etc.	-$318	-$393	-$75	23.67%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$0	$328	$328	
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	
4355-Gain on Disposition of Utility and Other Property	-$36,500	-$1,157	$35,343	-96.83%
4360-Loss on Disposition of Utility and Other Property	$26,304	$35,366	$9,062	34.45%
4375-Revenues from Non-Utility Operations	-$226,233	-$231,919	-$5,686	2.51%
4380-Expenses of Non-Utility Operations	$220,989	$206,623	-$14,366	-6.50%
4390-Miscellaneous Non-Operating Income	-$5,350	-$33,438	-$28,088	525.04%
Total	**-$21,108**	**-$24,591**	**-$3,483**	16.50%
4405-Interest and Dividend Income	-$21,542	-$17,174	$4,368	-20.28%
Total	**-$21,542**	**-$17,174**	**$4,368**	-20.28%
Miscellaneous Service Revenues	-$97,032	-$100,984	-$3,952	4.07%
Late Payment Charges	-$6,790	-$8,519	-$1,729	25.46%
Other Distribution/Operating Revenues	-$133,466	-$135,907	-$2,441	1.83%
Other Income or Deductions	-$42,332	-$41,699	$633	-1.50%
Total	**-$279,620**	**-$287,109**	**-$7,489**	2.68%

In 2021 CWH did not have a sale of a used vehicle as it did in 2020, therefore the account 4355 – Gain on Disposition decreased; there was only a small gain on the sale of a transformer.

In 2021 CWH recycled wire, as is typical, however the price that was received was significantly higher than historical figures and the sale of scrap material in 2021 amounted to $19K, which was more than previous years. The remaining $9K difference in account 4390 is due to incorrectly recording CWH customer's net metering generation credits in this account. This was corrected in January 2022, therefore in 2022 there is a debit balance in account 4390.

Table 14: Variance Analysis of Other Operating Revenues 2021 – 2022

	2021	2022	Var	Var
	Actual	**Actual**	**$**	**%**
4082-Retail Services Revenues	-$10,001	-$10,657	-$657	6.57%
4084-Service Transaction Requests (STR) Revenues	-$45	-$39	$6	-13.96%
4086-SSS Administration Revenue	-$21,504.25	-$21,818	-$314	1.46%
Total	**-$31,550**	**-$32,514**	**-$964**	**3.06%**
4210-Rent from Electric Property	-$81,583	-$89,034	-$7,452	9.13%
4215-Other Utility Operating Income	$0	$0	$0	
4225-Late Payment Charges	-$8,519	-$8,681	-$161	1.89%
4235-Miscellaneous Service Revenues	-$100,984	-$74,561	$26,423	-26.17%
4245-Government Assistance Directly Credited to Income	-$22,709	-$24,023	-$1,314	5.78%
Total	**-$213,795**	**-$196,298**	**$17,496**	**-8.18%**
4325-Revenues from Merchandise Jobbing, Etc.	-$393	$0	$393	
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$328	$0	-$328	
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	
4355-Gain on Disposition of Utility and Other Property	-$1,157	$0	$1,157	-100%
4360-Loss on Disposition of Utility and Other Property	$35,366	$12,073	-$23,293	-65.86%
4375-Revenues from Non-Utility Operations	-$231,919	-$234,203	-$2,284	0.98%
4380-Expenses of Non-Utility Operations	$206,623	$211,045	$4,422	2.14%
4390-Miscellaneous Non-Operating Income	-$33,438	$4,280	$37,718	-112.80%
Total	**-$24,591**	**-$6,805**	**$17,785**	-72.33%
4405-Interest and Dividend Income	-$17,174	-$59,612	-$42,439	247.12%
Total	**-$17,174**	**-$59,612**	**-$42,439**	247.12%
Miscellaneous Service Revenues	-$100,984	-$74,561	$26,423	-26.17%
Late Payment Charges	-$8,519	-$8,681	-$161	-1.89%
Other Distribution/Operating Revenues	-$135,907	-$145,571	-$9,664	7.11%
Other Income or Deductions	-$41,699	-$66,417	-$24,718	109.70%
Total	**-$287,109**	**-$295,230**	**-$8,121**	2.83%

In 2023 CWH discovered that one invoice for joint pole use in 2022 was calculated incorrectly, it was after closing the 2022 GL books, so the correction was made in 2023. The revenue recorded in account 4235 for 2022 was low by $16K, therefore 2023 was higher by $16K.

In account 4360 - Loss on Disposal CWH did not have as many asset write-offs in 2022 as in the previous year.

Account 4390 is in a debit due to incorrectly recording CWH customer’s net metering generation credits in this account in 2021. This was corrected in January 2022, therefore in 2022 there is a debit balance in account 4390. Also, CWH did not recycle as much scrap material.

Table 15: Variance Analysis of Other Operating Revenues 2022 – 2023

	2022	2023	Var	Var
	Actual	**Actual**	**$**	**%**
4082-Retail Services Revenues	-$10,657	-$10,640	$17	-0.16%
4084-Service Transaction Requests (STR) Revenues	-$39	-$34	$5	-12.91%
4086-SSS Administration Revenue	-$21,818	-$21,939	-$121	0.55%
Total	**-$32,514**	**-$32,612**	**-$98**	**0.30%**
4210-Rent from Electric Property	-$89,034	-$89,334	-$299	0.34%
4215-Other Utility Operating Income	$0	$0	$0	
4225-Late Payment Charges	-$8,681	-$8,068	$612	-7.05%
4235-Miscellaneous Service Revenues	-$74,561	-$103,037	-$28,476	38.19%
4245-Government Assistance Directly Credited to Income	-$24,023	-$24,902	-$880	3.66%
Total	**-$196,298**	**-$225,341**	**-$29,043**	**14.80%**
4325-Revenues from Merchandise Jobbing, Etc.	$0	-$438	-$438	
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$0	-$1,234	-$1,234	
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	
4355-Gain on Disposition of Utility and Other Property	$0	-$12,000	-$12,000	
4360-Loss on Disposition of Utility and Other Property	$12,073	$25,592	$13,519	7.1%
4375-Revenues from Non-Utility Operations	-$234,203	-$261,907	-$27,704	11.83%
4380-Expenses of Non-Utility Operations	$211,045	$217,861	$6,816	3.23%
4390-Miscellaneous Non-Operating Income	$4,280	-$14,475	-$18,755	-438.19%
Total	**-$6,805**	**-$46,600**	**-$39,795**	584.78%
4405-Interest and Dividend Income	-$59,612	-$134,879	-$75,267	126.26%
Total	**-$59,612**	**-$134,879**	**-$75,267**	126.26%
Miscellaneous Service Revenues	-$74,561	-$103,037	-$28,476	38.19%
Late Payment Charges	-$8,681	-$8,068	$612	-7.05%
Other Distribution/Operating Revenues	-$145,571	-$148,520	-$2,950	2.03%
Other Income or Deductions	-$66,417	-$179,807	-$113,389	170.72%
Total	**-$295,230**	**-$439,432**	**-$144,203**	48.84%

In 2023 CWH discovered that one invoice for joint pole use in 2022 was calculated incorrectly, it was after closing the 2022 GL books, so the correction was made in 2023. The revenue recorded in account 4235 for 2022 was low by $16K, therefore 2023 was higher by $16K.

In account 4405, in 2023 CWH had an increase in interest income earned. CWH had a healthy cash balance each month as well as the interest rate steadily increased, resulting in an increase in interest earned. CWH also saw an increase in carrying charges calculated on the RCVA and RSVA accounts with the prescribed interest rate also increasing.

Table 16: Variance Analysis of Other Operating Revenues 2023 – 2024

	2023	2024	Var	Var
	Actual	**Projected**	**$**	**%**
4082-Retail Services Revenues	-$10,6640	-$10,486	$154	-1.45%
4084-Service Transaction Requests (STR) Revenues	-$34	-$36	-$2	-6.95%
4086-SSS Administration Revenue	-$21,939	-$22,100	-$161	0.74%
Total	**-$32,612**	**-$32,622**	**-$10**	**0.00%**
4210-Rent from Electric Property	-$89,334	-$90,278	-$944	1.06%
4215-Other Utility Operating Income	$0	$0	$0	
4225-Late Payment Charges	-$8,068	-$8,068	$0	
4235-Miscellaneous Service Revenues	-$103,037	-$92,542	$10,495	-10.19%
4245-Government Assistance Directly Credited to Income	-$24,902	-$23,600	$1,302	-5.23%
Total	**-$225,341**	**-$214,488**	**$10,853**	**-4.82%**
4325-Revenues from Merchandise Jobbing, Etc.	-$438	-$452.45	-$14	3.30%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	-$1,234	$0	$1,234	
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	
4355-Gain on Disposition of Utility and Other Property	-$12,000	-$28,000	-$16,000	133.33%
4360-Loss on Disposition of Utility and Other Property	$25,592	$21,700	-$3,892	15.21%
4375-Revenues from Non-Utility Operations	-$261,907	-$256,000	$5,907	-2.26%
4380-Expenses of Non-Utility Operations	$217,861	$204,958	-$12,903	-5.92%
4390-Miscellaneous Non-Operating Income	-$14,475	-$4,000	$10,475	-72.37%
Total	**-$46,600**	**-$61,794.45**	**-$15,194**	32.61%
4405-Interest and Dividend Income	-$134,879	-$73,307	$61,572	-45.65%
Total	**-$134,879**	**-$73,307**	**$61,572**	-45.65%
Miscellaneous Service Revenues	-$103,037	-$92,542	$10,495	-10.19%
Late Payment Charges	-$8,068	-$8,068	$0	0%
Other Distribution/Operating Revenues	-$148,520	-$146,952	-$1,568	-1.06%
Other Income or Deductions	-$179,807	-$134,649	$45,158	-25.11%
Total	**-$439,432**	**-$382,211**	**$57,221**	-13.02%

In 2024 CWH is anticipating the delivery of a large truck, therefore the increase in gains on disposal will increase, this is in account 4355. CWH has used a gain value of $28K as the truck to be sold is fully depreciated.

In 2024 CWH anticipates increasing financing for the large capital expenditures in 2023 and 2024, therefore CWH is projecting a lower cash balance and therefore a lower interest amount earned, as seen in account 4405.

Table 17: Variance Analysis of Other Operating Revenues 2024 – 2025

	2024 Projected	2025 Projected	Var $	Var %
4082-Retail Services Revenues	-$10,486	-$11,414	$928	8.85%
4084-Service Transaction Requests (STR) Revenues	-$36	-$38	$2	4.80%
4086-SSS Administration Revenue	-$22,100	-$22,100	$0	0%
Total	**-$32,622**	**-$33,552**	**$930**	**2.85%**
4210-Rent from Electric Property	-$90,278	-$92,627	-$2,349	2.60%
4215-Other Utility Operating Income	$0	$0	$0	
4225-Late Payment Charges	-$8,068	-$8,068	$0	
4235-Miscellaneous Service Revenues	-$92,542	-$134,081	-$41,539	44.89%
4245-Government Assistance Directly Credited to Income	-$23,600	-$23,600	$0	
Total	**-$214,488**	**-$258,376**	**-$43,888**	**20.46%**
4325-Revenues from Merchandise Jobbing, Etc.	-$452	-$467	-$15	3.30%
4330-Costs and Expenses of Merchandising Jobbing, Etc.	$0	$0	$0	
4350-Losses from Disposition of Future Use Utility Plant	$0	$0	$0	
4355-Gain on Disposition of Utility and Other Property	-$28,000	$0	$28,000	-100%
4360-Loss on Disposition of Utility and Other Property	$21,700	$21,700	$0	
4375-Revenues from Non-Utility Operations	-$256,000	-$248,756	$7,244	-2.83%
4380-Expenses of Non-Utility Operations	$204,958	$209,176	$4,218	2.06%
4390-Miscellaneous Non-Operating Income	-$4,000	-$4,000	$0	0%
Total	**-$61,794.45**	**-$22,347**	**$39,447**	-63.84%
4405-Interest and Dividend Income	-$73,307	-$41,207	$32,100	-43.79%
Total	**-$73,307**	**-$41,207**	**$32,100**	-43.79%
Miscellaneous Service Revenues	-$92,542	-$134,081	-$41,539	44.89%
Late Payment Charges	-$8,068	-$8,068	$0	0%
Other Distribution/Operating Revenues	-$146,952	-$150,246	-$3,294	2.24%
Other Income or Deductions	-$134,649	-$63,087	$71,562	-53.15%
Total	**-$382,211**	**-$355,482**	**$26,729**	-6.99%

In 2025 CWH will not have a large truck to sell, therefore the decrease in gains on disposal is reduced, this is in account 4355.

In 2025 CWH anticipates increasing financing for the new distribution station, therefore CWH is projecting a lower cash balance and therefore a lower interest amount earned, as seen in account 4405.

In account 4235 for 2025, CWH has recorded 100% of the joint pole revenue in this account. Between 2018 and 2024 CWH recorded the amount of joint pole revenue at the rate of $22.35 in this account and the difference between the annual approved rate and the 2018 rate was recorded in a sub account of 1508 (this is being requested for disposal in this application, see Exhibit 9 for further details). In 2025 the joint pole revenue was calculated using the approved 2024 rate ($37.78) +4.8%, the total joint pole revenue of $104,289 is included in account 4235.

6.7.3 PROPOSED SPECIFIC SERVICE CHARGES

CWH is proposing to keep the current $10 customer charge for Microfits, this revenue is recorded as a revenue offset in Account 4235 and is not part of the base revenue requirement.

CWH is requesting to implement the Distribution Pole Attachment Charge that is updated annually by the OEB for access to the power poles. Currently CWH is charging the published Distribution Pole Attachment Charge released each year, however the rate of $22.35 is the rate per attacher per year per pole that CWH had approved in the 2018 CoS. A variance account in 1508 has been tracking the difference between the annual rate and the $22.35 – for revenues only. CWH has absorbed the increase expense for poles that CWH do not own but have attachments on. This is further explained in Exhibit 9.

No customer class will be materially impacted by the changes requested.

6.7.4 REVENUE FROM AFFILIATE TRANSACTIONS, SHARED SERVICES, CORPORATE COST ALLOCATION.

CWH is wholly owned by the holding company Centre Wellington Energy Inc. which is wholly owned by the Corporation of the Township of Centre Wellington.

Revenues from affiliate transactions are explained in detail in Exhibit 4 section 4.5 Shared Services and Corporate allocation. Revenues are posted to account 4375 and expenses are posted to 4380.

6.8 REVENUE DEFICIENCY OR SURPLUS

6.8.1 CALCULATION OF REVENUE DEFICIENCY OR SURPLUS

CWH's net revenue deficiency under the proposed rates is $139,216 using the Service Revenue Requirement, or $139,216 using the Grossed up Revenue Requirement (as shown in Table 18 below). This deficiency is calculated as the difference between the 2025 Test Year Revenue Requirement and the Forecast Test Year Revenue Requirement at CWH's 2024 approved distribution rates.

Table 18: Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Deficiency Calculations
Service Revenue Requirement	$5,182,754
Grossed-Up Revenue Deficiency/(Sufficiency)	$139,216
Base Revenue Requirement (to be recovered from Distribution Rates)	$4,827,272
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	$139,216

The Revenue Deficiency sheet presented in Table 19 below is an excerpt from the Revenue Requirement Work Form, Sheet 8. Rev_Def_Suff. The drivers of the revenue deficiency are detailed in section 6.8.2 below.

Table 19: Revenue Deficiency (RRWF)

Particulars	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		$139,216
Distribution Revenue	$4,688,056	$4,688,056
Other Operating Revenue Offsets - net	$355,482	$355,482
Total Revenue	$5,043,538	$5,182,754
Operating Expenses	$3,866,081	$3,866,081
Deemed Interest Expense	$570,193	$570,193
Total Cost and Expenses	$4,436,275	$4,436,275
Utility Income Before Income Taxes	$607,263	$746,479
Tax Adjustments to Accounting Income per 2013 PILs model	$ -	$ -
Taxable Income	$607,263	$746,479
Income Tax Rate	0.00%	0.00%
Income Tax on Taxable Income	$ -	$ -
Income Tax Credits	$ -	$ -
Utility Net Income	$607,263	$746,479
Utility Rate Base	$20,262,732	$20,262,732
Deemed Equity Portion of Rate Base	$8,105,093	$8,105,093
Income/(Equity Portion of Rate Base)	7.49%	9.21%
Target Return - Equity on Rate Base	9.21%	9.21%
Deficiency/Sufficiency in Return on Equity	-1.72%	0.00%
Indicated Rate of Return	5.81%	6.50%
Requested Rate of Return on Rate Base	6.50%	6.50%
Deficiency/Sufficiency in Rate of Return	-0.69%	0.00%
Target Return on Equity	$746,479	$746,479
Revenue Deficiency/(Sufficiency)	$139,216	$ -
Gross Revenue Deficiency/(Sufficiency)	$139,216	(1)

6.8.2 CAUSES OF REVENUE DEFICIENCY OR SURPLUS

CWH's existing rates are based on the Board approved rates in 2018 following a cost-of-service rate application, and adjustments to its base distribution rates in 2019 - 2024 under the Board's third Generation Incentive Regulation Mechanism.

As shown in Table 19 in the previous section, the Revenue Deficiency is determined to be $139,216. The deficiency is for the most part due to the increase in the Rate Base, Depreciation Expenses, and OM&A.

The proposed rate base for 2025 is $20,262,732, $3.2M higher than the 2018 Board-approved amount, an increase of 18.87%. Based on a 6.50% overall cost of capital, the increase in the rate base drives an increase to the revenue requirement. The factors contributing to the change in the rate base are discussed in detail at Exhibit 2 but for the most part are due to investments in the distribution system, specifically a transformer replacement in a distribution station and multiple poleline rebuilds to follow the Asset Management Plan within our 2025 CoS, which is provided within our DSP in Exhibit 2 of this filing.

The increased expense for Operations, Maintenance, and Administration (OM&A) is another reason for the revenue deficiency. Projected OM&A for 2025 is $785,827 higher than the 2018 Board Approved amount, which represents an increase of 33.5%. The cost drivers underlying this increase are explained in Exhibit 4.

Table 20 replicated below compares the specifics from 2018 Board Approved to 2025 Test Year, are presented following the contributors below.

Table 20: 2018 Board Approved to 2025 Test Year

Particular	2018	2025	Difference	Var %
Long Term Debt	4.04%	4.58%	0.54%	
Short Term Debt	2.29%	6.23%	3.94%	
Return on Equity	9.00%	9.21%	0.21%	
Weighted Debt Rate	3.92%	4.69%	0.77%	
Regulated Rate of Return	**5.95%**	**6.50%**	**0.54%**	
Controllable Expenses	$2,363,500	$3,144,053	$780,553	33.03%
Power Supply Expense	$17,927,954	$16,343,031	-$1,584,923	-8.84%
Total Eligible Distribution Expenses	$20,291,454	$19,487,083	-$804,370	-3.96%
Working Capital Allowance Rate	7.50%	7.50%	0.00%	0.00%
Total Working Capital Allowance ("WCA")	**$1,521,859**	**$1,461,531**	**-$60,328**	**-3.96%**
Fixed Asset Opening Bal Bridge Year	$27,128,241	$34,029,887	$6,901,646	25.44%
Fixed Asset Opening Bal Test Year	-$11,603,322	-$15,228,686	-$3,625,364	31.24%
Average Fixed Asset	$15,524,919	$18,801,201	$3,276,282	21.10%
Working Capital Allowance	$1,521,859	$1,461,531	-$60,328	-3.96%
Rate Base	**$17,046,778**	**$20,262,732**	**$3,215,954**	**18.87%**
Regulated Rate of Return	5.95%	6.50%	0.54%	
Regulated Return on Capital	**$1,014,937**	**$1,316,672**	**$301,735**	**29.73%**
Deemed Interest Expense	$401,253	$570,193	$168,940	42.10%
Deemed Return on Equity	$613,684	$746,479	$132,795	21.64%
OM&A	$2,363,500	$3,144,053	$780,553	33.03%
Depreciation Expense	$579,600	$722,029	$142,429	24.57%
PILs	$0	$0	$0	100.00%
Revenue Offset	-$292,400	-$355,482	-$63,082	21.57%
Revenue Requirement	**$3,665,637**	**$4,827,272**	**$1,161,635**	**31.69%**

- The increase in OM&A of $780,553 from $2,363,500 in 2018 Board Approved to $3,144,053 in the 2025 test year; all of which are explained in detail throughout Exhibit 4.
- An increase in Average Net Fixed Assets of $3,276,282 from 2018's Board Approved $15,524,919 to $18,801,201 in 2025 test year; all of which are explained at Exhibit 2 and in the DSP.
- A decrease of $60,328 in the Working Capital from $1,521,859 in the 2018 Board Approved amount to $1,461,531 in the 2025 test year.
- An increase in the Weighted Average Cost of Capital from 5.95% in the 2018 Board Approved to 6.5% in 2025; which is explained at Exhibit 5.
- An increase in Depreciation Expenses of $142,429 from $579,600 in the 2018 Board Approved to $722,029 in 2025; which is detailed in Exhibit 2.

APPENDICES

Appendix A	2022 Federal and Provincial tax returns (latest filed)

Centre Wellington Hydro Ltd.

Exhibit 6

Appendix A

CWH’s 2022 Federal and Provincial Tax return (latest filed)

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 86547 0769 RC0001

Corporation's name
002 CENTRE WELLINGTON HYDRO LTD.

Address of head office
Has this address changed since the last time the CRA was notified? . . . . 010 Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011 730 GARTSHORE STREET
012 PO BOX 217
City 015 FERGUS
Province, territory, or state 016 ON
Country (other than Canada) 017
Postal or ZIP code 018 N1M 2W8

Mailing address (if different from head office address)
Has this address changed since the last time the CRA was notified? . . . . 020 Yes [ ] No [X]
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 the CRA was notified? . . . . 030 Yes [ ] No [X]
If **yes**, complete lines 031 to 038.
031
032
City 035
Province, territory, or state 036
Country (other than Canada) 037
Postal or ZIP code 038

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

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

To which tax year does this return apply?
Tax year start — Year Month Day 060 2022-01-01
Tax year-end — Year Month Day 061 2022-12-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? . . . . 063 Yes [ ] No [X]
If **yes**, provide the date control was acquired . . . . 065 Year Month Day

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

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

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

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

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

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

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

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

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

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

Do not use this area
095 096 898

Attachments

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

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

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	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
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	276		68

Additional information

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

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

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

284	HYDRO ELECTRICITY	285	100.000 %
286		287	%
288		289	%

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

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

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

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	-225,978	A
Deduct:					
Charitable donations from Schedule 2	311				
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gifts of medicine made before March 22, 2017, from Schedule 2	315				
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320	903			
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		903	▶	903	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")					C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions			355		D
Taxable income (amount C **plus** amount D)			360		
Taxable income for the year from a personal services business					Z.1

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

Small business deduction

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

Income eligible for the small business deduction from Schedule 7	400		A
Taxable income from line 360 on page 3, **minus** 100/28 (3.57143) of the amount on line 632* on page 8, **minus** 4 times the amount on line 636** on page 8, and **minus** any amount that, because of federal law, is exempt from Part I tax	405		B
Business limit (see notes 1 and 2 below)	410	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 for tax years starting before April 7, 2022

Amount C 500,000 x 415 *** 712,600 D / 11,250 = ... 31,671,111 E1

Taxable capital business limit reduction for tax years starting after April 6, 2022

Amount C 500,000 x 415 *** 712,600 D / 90,000 = ... E2

Amount E1 or amount E2, whichever applies 31,671,111 ▶ 31,671,111 E3

Passive income business limit reduction

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

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

The greater of amount E3 and amount G 422 31,671,111 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 K 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.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

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

Total 510 ______ Total 515 ______

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (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*	19,209	F		
Subtotal (**add** amounts B to F)	19,209	►	19,209	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** 19,209 x 30 2 / 3 % =			5,891	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")			5,891	E
Taxable income from line 360 on page 3		F		
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least	G			
Foreign non-business income tax credit from line 632 on page 8 . . . . x 75 / 29 =	H			
Foreign business income tax credit from line 636 on page 8 . . x 4 =	I			
Subtotal (**add** amounts G to I)	▶	J		
Subtotal (amount F **minus** amount J)		K	x 30 2 / 3 % =	L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)				M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**				N

Refundable dividend tax on hand

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460				
Dividend refund for the previous tax year	465				
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480				
Subtotal (line 460 **minus** line 465 **plus** line 480)					A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of Schedule 53)					B
Total eligible dividends paid in the previous tax year (from line 300 of Schedule 53)			C		
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D		
Subtotal (amount C **minus** amount D) (if negative, enter "0")			▶		E
Net GRIP at the end of the previous tax year (amount B **minus** amount E) (if negative, enter "0")			F		
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of Schedule 53)			G		
Subtotal (amount F **plus** amount G)			▶		H
Amount H **multiplied** by 38 1/3 %					I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 ________ of the preceding tax year)	520				J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A **minus** amount I, otherwise, use line 545 ________ of the preceding tax year) (if negative, enter "0")	535				K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L		
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		346	M		
Subtotal (amount L **plus** amount M)		346	▶	346	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)		346	R		
Part IV tax allocated to ERDTOH (amount N)		346	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)				346	X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U **minus** amount X) (if negative enter "0")					Y
NERDTOH at the end of the tax year (total of amounts K, Q, V, and Y **minus** amount W) (if negative, enter "0")	545				
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N **minus** the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")					Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z **minus** amount P) (if negative, enter "0")	530				

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")		GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 %		550	A
Additional tax on personal services business income (section 123.5)			
Taxable income from a personal services business	555 ____ x 5 % =	560	B
Additional tax on banks and life insurers from Schedule 68		565	C
Recapture of investment tax credit from Schedule 31		602	D

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		19,209	E
Taxable income from line 360 on page 3	F		
Deduct:			
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least	G		
Net amount (amount F **minus** amount G)			H

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount E or amount H	604		I
Subtotal (**add** amounts A, B, C, D, and I)			J

Deduct:

Small business deduction from line 430 on page 4			K
Federal tax abatement	608		
Manufacturing and processing profits deduction and zero-emission technology manufacturing 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			L

Part I tax payable – Amount J **minus** amount L		M

Enter amount M 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 Information about Programs and Information Holdings at canada.ca/cra-information-about-programs.

Summary of tax and credits

Federal tax

Part I tax payable from amount M 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 VI.2 tax payable from Schedule 67	725	
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, the CRA does not charge or refund a difference of $2 or less.

Refund code 894 | 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 G1829

Certification

I, 950 Dowling (Last name) 951 Heather (First name) 954 Authorized signing officer (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 2023-05-31 Date (yyyy/mm/dd) — Heather Dowling — Signature of the authorized signing officer of the corporation — 956 (519) 843-2900 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

CENTRE WELLINGTON HYDRO LTD.

And Independent Auditor's Report thereon

Year ended December 31, 2022

KPMG

KPMG LLP
120 Victoria Street South
Suite 600
Kitchener ON N2G 0E1
Canada
Tel 519-747-8800
Fax 519-747-8811

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Centre Wellington Hydro Ltd.

Opinion

We have audited the financial statements of Centre Wellington Hydro Ltd. (the Entity), which comprise:

- the statement of financial position as at December 31, 2022
- 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, 2022 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 ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

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

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

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

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

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

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

Auditor's 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 auditor's 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 auditor's 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

April 24, 2023

CENTRE WELLINGTON HYDRO LTD.

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	$ 1,442,973	$ 1,579,518
Accounts receivable (note 4)	2,483,851	2,428,520
Unbilled revenue	1,773,840	1,599,060
Materials and supplies	553,404	480,598
Prepaid expenses	220,649	224,304
Total current assets	6,474,717	6,312,000
Non-current assets:		
Property, plant and equipment (note 5)	17,452,255	17,439,694
Intangible assets (note 6)	195,719	117,835
Long term investment	-	47,104
Deferred tax assets (note 7)	-	132,409
Total non-current assets	17,647,974	17,737,042
Total assets	24,122,691	24,049,042
Regulatory debit balances (note 8)	967,163	512,463
Total assets and regulatory balances	$ 25,089,854	$ 24,561,505

See accompanying notes to financial statements.

CENTRE WELLINGTON HYDRO LTD.

Statement of Financial Position (continued)

December 31, 2022, with comparative information for 2021

	2022	2021
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	$ 4,025,994	$ 4,013,065
Long-term debt due within one year (note 10)	149,334	133,651
Customer deposits	171,643	180,797
Total current liabilities	4,346,971	4,327,513
Non-current liabilities:		
Long-term debt (note 10)	8,368,449	8,527,793
Post-employment benefits (note 11)	265,592	263,560
Deferred revenue	1,041,366	1,032,661
Deferred tax liability (note 7)	27,841	-
Total non-current liabilities	9,703,248	9,824,014
Total liabilities	14,050,219	14,151,527
Equity:		
Share capital (note 12)	5,035,066	5,035,066
Accumulated other comprehensive loss	-	(29,035)
Retained earnings	5,626,828	5,102,778
	10,661,894	10,108,809
Regulatory credit balances (note 8)	377,741	301,169
Total liabilities, equity and regulatory balances	$ 25,089,854	$ 24,561,505

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Director ______________________________ Director

CENTRE WELLINGTON HYDRO LTD.

Statement of Comprehensive Income

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Sale of energy (note 13)	$ 17,894,686	$ 17,812,957
Distribution revenue (note 13)	4,249,166	4,024,791
Other (note 13)	235,680	296,596
	4,484,846	4,321,387
	22,379,532	22,134,344
Operating expenses:		
Cost of power	18,182,813	17,992,570
General and administrative	1,153,709	1,118,137
Billing and collection	644,210	604,839
Operations and maintenance	933,055	732,542
Depreciation and amortization	654,140	627,917
	3,385,114	3,083,435
	21,567,927	21,076,005
Income from operating activities	811,605	1,058,339
Finance income (note 15)	42,193	14,555
Finance cost (note 15)	(509,949)	(512,363)
Income before income taxes and undernoted items	343,849	560,531
Income tax expense (note 7)	160,249	178,855
Income before the undernoted item	183,600	381,676
Net movement in regulatory balances	378,172	239,782
Net income for the year and net movement in regulatory balances	561,772	621,458
Other comprehensive income:		
Loss on available for sale investment	8,687	9,239
Other comprehensive loss for the year	8,687	9,239
Total comprehensive income for the year	$ 553,085	$ 630,697

See accompanying notes to financial statements.

CENTRE WELLINGTON HYDRO LTD.

Statement of Changes in Equity

Year ended December 31, 2022, with comparative information for 2021

	Share capital	Retained earnings	Accumulated other comprehensive loss	Total
Balance at January 1, 2021	$ 5,035,066	$ 4,481,320	$ (38,274)	$ 9,478,112
Net income and net movement in regulatory balances	-	621,458	-	621,458
Other comprehensive gain	-	-	9,239	9,239
Balance at December 31, 2021	$ 5,035,066	$ 5,102,778	$ (29,035)	$ 10,108,809
Balance at January 1, 2022	$ 5,035,066	$ 5,102,778	$ (29,035)	$ 10,108,809
Net income and net movement in regulatory balances	-	561,772	-	561,772
Other comprehensive loss	-	-	(8,687)	(8,687)
Reclassification of gains on investment	-	(37,722)	37,722	-
Balance at December 31, 2022	$ 5,035,066	$ 5,626,828	$ -	$ 10,661,894

See accompanying notes to financial statements.

CENTRE WELLINGTON HYDRO LTD.

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Net Income and net movement in regulatory balances	$ 561,772	$ 621,458
Items not involving cash:		
Depreciation and amortization	752,036	729,448
Amortization of deferred revenue	(22,709)	(22,709)
Post-employment benefits	2,032	398
Gain on disposal of property, plant and equipment	12,073	(35,970)
Net finance costs	467,755	497,808
Income tax expense	160,249	178,855
	1,933,208	1,969,288
Changes in non-cash operating working capital:		
Accounts receivable	(55,331)	74,934
Unbilled revenue	(174,780)	580,207
Materials and supplies	(72,806)	(62,766)
Prepaid expenses	3,655	(49,985)
Accounts payable and accrued liabilities	12,929	336
Customer deposits	(9,154)	7,114
	(295,487)	549,840
Regulatory balances	(378,129)	(240,537)
Interest paid	(509,948)	(512,363)
Interest received	42,193	14,555
	791,837	1,780,783
Financing activities:		
Repayment of long-term debt	(143,663)	(138,198)
Investing activities:		
Purchase of property, plant and equipment	(729,846)	(737,677)
Proceeds on disposal of property, plant and equipment	-	71,941
Proceeds on disposal of long term investment	38,421	-
Purchase of intangible assets	(124,708)	(20,815)
Capital contributions received from customers	31,414	90,620
	(784,719)	(595,931)
(Decrease) increase in cash	(136,545)	1,046,654
Cash, beginning of year	1,579,518	532,864
Cash, end of year	$ 1,442,973	$ 1,579,518

See accompanying notes to financial statements.

Reporting entity:

Centre Wellington Hydro Ltd. (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the laws of Ontario, Canada. The Corporation is located in the Township of Centre Wellington (the "Township"). The address of the Corporation's registered office is 730 Gartshore Street, Fergus, Ontario.

The Corporation delivers electricity and related energy services to residential and commercial customers in the Township. The Corporation is wholly owned by Centre Wellington Energy Inc. and the ultimate parent company is the Township of Centre Wellington.

The financial statements are for the Corporation as at and for the year ended December 31, 2022.

1. Basis of presentation:

(a) Statement of compliance:

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

The financial statements were approved by the Board of Directors on April 19, 2023.

(b) Basis of measurement:

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

(c) Functional and presentation currency:

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

(d) Use of estimates and judgments:

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.

1. Basis of presentation (continued):

(d) 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 2(b) - measurement of unbilled revenue
(ii) Notes 5, 6 - estimation of useful lives of its property, plant and equipment and intangible assets
(iii) Note 8 - recognition and measurement of regulatory balances
(iv) Note 11 - measurement of defined benefit obligations: key actuarial assumptions
(v) Note 16 - recognition and measurement of provisions and contingencies

(e) Rate regulation:

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

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 every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the 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.

1. Basis of presentation (continued):

(e) Rate regulation (continued):

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

As a licensed distributor, the 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 May 2017 for rates effective January 1, 2018 to December 31, 2022. The GDP IPI-FDD for 2022 is 3.30%, the Corporation's productivity factor is nil% and the stretch factor is 0.30%, resulting in a net adjustment of 3.00% to the previous year's rates.

Electricity rates
The OEB sets electricity prices for low-volume consumers 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.

2. Significant accounting policies:

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

(a) Financial instruments:

At initial recognition, the Corporation measures its financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

2. Significant accounting policies (continued):

(a) Financial instruments (continued):

Subsequent measurement of the financial asset depends on the classification determined on initial recognition. Financial assets are classified as either amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Corporation changes its business model for managing financial assets.

Financial liabilities are initially measured at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as an adjustment to interest expense over the period of the borrowings.

The Corporation has not entered into derivative instruments.

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

(b) Revenue recognition:

Sale and distribution of electricity

The performance obligations for the sale and distribution of electricity are recognized over time using an output method to measure the satisfaction of the performance obligation. The value of the electricity services transferred to the customer is determined on the basis of cyclical meter readings plus 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.

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Capital contributions

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

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

Other revenue

Revenue earned from the provision of services is recognized as the service is rendered.

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

(c) Materials and supplies:

Materials and supplies, the majority of which 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.

2. Significant accounting policies (continued):

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") used in rate-regulated activities and acquired prior to January 1, 2015 are measured at the deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated depreciation. All other items of PP&E are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated depreciation.

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

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

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

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

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

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the 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.

Depreciation is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not depreciated.

2. Significant accounting policies (continued):

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

The estimated useful lives are as follows:

Asset	Rate
Buildings	25-50 years
Distribution equipment	15-70 years
Vehicles	7-12 years
Other tools and equipment	8-15 years
Computer equipment	3-6 years

(e) Intangible assets:

Intangible assets used in rate-regulated activities and acquired prior to January 1, 2015 are measured at deemed cost (carrying value as elected under IFRS 1) established on the transition date, less accumulated amortization. All other intangible assets are measured at cost.

Computer software that is acquired or developed by the Corporation after January 1, 2015, including software that is not integral to the functionality of equipment purchased which has finite useful lives, is measured at cost less accumulated amortization.
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.

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:

Asset	Rate
Computer software	5 years
Land rights	0-50 years

2. Significant accounting policies (continued):

(f) Impairment:

(i) Financial assets measured at amortized cost:

A loss allowance for expected credit losses on financial assets measured at amortized cost is recognized at the reporting date. The loss allowance is measured at an amount equal to the lifetime expected credit losses for the asset.

(ii) Non-financial assets:

The carrying amounts of the 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.

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

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

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

(g) Customer deposits:

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

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

2. Significant accounting policies (continued):

(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. 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 deferral account 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 other comprehensive income.

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 other comprehensive income. The amounts returned to the customers are recognized as a reduction of revenue. The regulatory deferral account 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 other comprehensive income.

2. Significant accounting policies (continued):

(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.

2. Significant accounting policies (continued):

(k) Leased assets:

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

For leases and contracts that contain a lease, the Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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

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

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

Short-term leases and low value assets

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

2. Significant accounting policies (continued):

(l) 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 and dividend income.

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

(m) Income taxes:

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

The 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.

3. Standards issued but not yet adopted:

At the date of authorization of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and Interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Corporation.

New standards, amendments and interpretations not adopted in the current year include the following:

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

(ii) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).

(iii) Definition of Accounting Estimate (Amendments to IAS 8).

(iv) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction - Amendments to IAS 12 Income Taxes.

The Corporation is currently assessing the impact of these standards.

4. Accounts receivable:

	2022	2021
Trade customer accounts receivable	$ 2,374,010	$ 2,165,599
Other receivables	109,841	262,921
	$ 2,483,851	$ 2,428,520

5. Property, plant and equipment:

	Land and buildings	Distribution equipment	Other fixed assets	Construction-in-progress	Total
Cost or deemed cost					
Balance at January 1, 2022	$ 1,012,878	$ 19,673,688	$ 1,730,601	$ 7,635	$ 22,424,802
Additions	-	515,228	69,236	145,382	729,846
Transfers	-	7,635	-	(7,635)	-
Disposals/ retirements	-	(62,900)	(25,793)	-	(88,693)
Balance at December 31, 2022	$ 1,012,878	$ 20,133,651	$ 1,774,044	$ 145,382	$ 23,065,955
Balance at January 1, 2021	$ 1,012,878	$ 18,978,697	$ 1,713,434	$ 18,086	$ 21,723,095
Additions	-	711,703	18,339	7,635	737,677
Transfers	-	18,086	-	(18,086)	-
Disposals/ retirements	-	(34,798)	(1,172)	-	(35,970)
Balance at December 31, 2021	$ 1,012,878	$ 19,673,688	$ 1,730,601	$ 7,635	$ 22,424,802
Accumulated depreciation					
Balance at January 1, 2022	$ 225,966	$ 3,696,070	$ 1,063,072	$ -	$ 4,985,108
Depreciation	31,772	528,448	144,992	-	705,212
Disposals	-	(50,827)	(25,793)	-	(76,620)
Balance at December 31, 2022	$ 257,738	$ 4,173,691	$ 1,182,271	$ -	$ 5,613,700
Balance at January 1, 2021	$ 194,194	$ 3,171,074	$ 915,068	$ -	$ 4,280,336
Depreciation	31,772	524,996	148,004	-	704,772
Balance at December 31, 2021	$ 225,966	$ 3,696,070	$ 1,063,072	$ -	$ 4,985,108
Carrying amounts					
At December 31, 2022	$ 755,140	$ 15,959,960	$ 591,773	$ 145,382	$ 17,452,255
At December 31, 2021	786,912	15,977,618	667,529	7,635	17,439,694

6. Intangible assets:

		Computer software		Land rights		Total
Cost of deemed cost						
Balance at January 1, 2022	$	262,157	$	68,420	$	330,577
Additions		124,708		-		124,708
Disposals		(69,059)		-		(69,059)
Balance at December 31, 2022	$	317,806	$	68,420	$	386,226
Balance at January 1, 2021	$	249,907	$	68,420	$	318,327
Additions		20,815		-		20,815
Disposals		(8,565)		-		(8,565)
Balance at December 31, 2021	$	262,157	$	68,420	$	330,577
Accumulated amortization						
Balance at January 1, 2022	$	203,353	$	9,389	$	212,742
Amortization		45,214		1,610		46,824
Disposals		(69,059)		-		(69,059)
Balance at December 31, 2022	$	179,508	$	10,999	$	190,507
Balance at January 1, 2021	$	188,853	$	7,779	$	196,632
Amortization		23,065		1,610		24,675
Disposals		(8,565)		-		(8,565)
Balance at December 31, 2021	$	203,353	$	9,389	$	212,742
Carrying amounts						
At December 31, 2022	$	138,298	$	57,421	$	195,719
At December 31, 2021		58,804		59,031		117,835

7. Income tax expense:

Current tax expense (recovery):

		2022		2021
Deferred tax expense	$	160,249	$	178,855

Reconciliation of effective tax rate:

		2022		2021
Income before taxes	$	343,849	$	560,531
Statutory income tax rates		26.5 %		26.5 %
Expected tax provision on income at statutory rates	$	91,120	$	148,541
Increase (decrease) in income taxes resulting from:				
Permanent differences		(4,703)		156
Other		1,804		5,226
Deferred tax associated with net movement in regulatory accounts		72,028		24,932
Income tax expense	$	160,249	$	178,855

Significant components of the Corporation’s deferred tax balances:

		2022		2021
Deferred tax assets (liabilities):				
Property, plant and equipment	$	(833,645)	$	(658,216)
Post-employment benefits		69,843		69,843
Deferred revenue		275,962		273,655
Regulatory liabilities		(114,108)		(47,742)
Non-capital losses		568,526		507,351
Other		5,581		(12,482)
	$	(27,841)	$	132,409

8. Regulatory debit balances:

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

Regulatory deferral account debit balances	January 1, 2022	Additions	Recovery/ reversal	December 31, 2022	Remaining recovery/ reversal years
Retail settlement variance accounts	$ 456,165	$ 585,178	$ (141,633)	$ 899,710	1-4
Regulatory variances disposition	8,394	255,898	(252,593)	11,699	1-4
Other	47,904	7,850	-	55,754	1-4
	$ 512,463	$ 848,926	$ (394,226)	$ 967,163	

Regulatory deferral account debit balances	January 1, 2021	Additions	Recovery/ reversal	December 31, 2021	Remaining recovery/ reversal years
Retail settlement variance accounts	$ 263,727	$ 192,438	$ -	$ 456,165	1-4
Regulatory variances disposition	43,239	-	(34,845)	8,394	1-4
Other	41,079	6,825	-	47,904	1-4
	$ 348,045	$ 199,263	$ (34,845)	$ 512,463	

8. Regulatory debit balances (continued):

Regulatory deferral account credit balances		January 1, 2022		Additions		Recovery/ reversal		December 31, 2022	Remaining recovery/ reversal years
Retail settlement variance accounts	$	6,350	$	260,602	$	(123,576)	$	143,376	1-4
Deferred income tax		122,790		-		(106,367)		16,423	-
Other		172,029		36,616		9,297		217,942	1-4
	$	301,169	$	297,218	$	(220,646)	$	377,741	

Regulatory deferral account credit balances		January 1, 2021		Additions		Recovery/ reversal		December 31, 2021	Remaining recovery/ reversal years
Retail settlement variance accounts	$	(58,764)	$	65,114	$	-	$	6,350	1-4
Change in asset useful lives		268,488		-		(145,698)		122,790	-
Deferred income tax		108,800		63,229		-		172,029	1-4
	$	318,524	$	128,343	$	(145,698)	$	301,169	

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.

Settlement of the Group 1 deferral accounts is done on an annual basis through application to the OEB. The most recent IRM application was filed in December 2021 for January 1, 2022 rates. 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 recovered from/paid back to 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. In 2022, the rate range was 0.57% to 3.87% (2021 - 0.57%).

9. Accounts payable and accrued liabilities:

		2022		2021
Accounts payable - energy purchases	$	1,379,057	$	1,306,386
Water and sewer charges payable		803,820		838,335
Other		1,843,117		1,868,344
	$	4,025,994	$	4,013,065

10. Long-term debt:

		2022		2021
Demand promissory note payable to the Corporation of the Township of Centre Wellington, interest at 7.25%	$	5,046,753	$	5,046,753
Ontario Infrastructure loan, interest at 4.48%, payable in monthly instalments, due 2038 secured by a General Security Agreement		1,001,871		1,044,411
Ontario Infrastructure loan, interest at 3.75%, payable in monthly instalments, due 2039 secured by a General Security Agreement		948,909		988,887
Ontario Infrastructure loan, interest at 3.56%, payable in monthly instalments, due 2040 secured by a General Security Agreement		1,520,250		1,581,393
		8,517,783		8,661,444
Less current portion of long-term debt		149,334		133,651
	$	8,368,449	$	8,527,793

The note payable is due on demand to the Township. The Township has waived its right to demand payment until January 1, 2023.

10. Long-term debt (continued):

Principal repayments for the next five years and thereafter are as follows:

2023	$ 149,334
2024	5,202,008
2025	161,401
2026	167,794
2027	174,443
Thereafter	2,662,803
	$ 8,517,783

11. 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 2022, the Corporation made employer contributions of $143,993 to OMERS (2021 - $145,992), of which $32,959 (2021 - $26,059) has been capitalized as part of PP&E and the remaining amount of $111,034 (2021 - $119,933) has been recognized in profit or loss. The Corporation estimates that a contribution of $158,300 (2021 - $155,860) to OMERS will be made during the next fiscal year.

As at December 31, 2022, OMERS had approximately 540,000 members, of whom 14 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 95% funded, with an unfunded liability of $6.7 billion. This unfunded liability is likely to result in future payments by participating employers and members.

11. 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	2022	2021
Defined benefit obligation, beginning of year	$ 263,560	$ 263,162
Included in profit or loss:		
Current service cost	6,136	6,553
Interest cost	7,729	7,687
	13,865	14,240
	277,425	277,402
Benefits paid	(11,833)	(13,842)
	$ 265,592	$ 263,560

Actuarial assumptions	2022	2021
Discount (interest) rate	3.00 %	3.00 %
Salary levels	3.30 %	3.30 %
Medical costs	4.00 %	4.00 %
Dental costs	5.10 %	4.70 %

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by $43,600. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing by $59,200.

12. Share capital:

	2022	2021
Authorized:		
Unlimited number of common shares		
Issued:		
1,100 common shares	$ 5,035,066	$ 5,035,066

13. Revenues:

	2022	2021
Collection and other service charges	115,818	167,713
Water and sewer billing services	20,152	12,500
Rent	89,034	81,583
Loss on disposals	(12,073)	(35,970)
Other	22,749	70,770
Total other revenue	235,680	296,596

In the following table, sale of energy and distribution revenue is disaggregated by type of customer.

	2022	2021
Residential	$ 8,801,841	$ 8,649,064
Commercial	4,039,287	3,830,607
Industrial	9,064,639	9,118,841
Other	238,085	239,236
	$ 22,143,852	$ 21,837,748

14. Employee salaries and benefits:

	2022	2021
Salaries, wages and benefits	$ 1,574,699	$ 1,478,114
CPP and EI remittances	72,947	71,123
Contributions to OMERS	155,185	145,992
	$ 1,802,831	$ 1,695,229

15. Finance income and costs:

	2022	2021
Finance income:		
Interest income on bank deposits	$ 42,193	$ 14,555
Finance costs:		
Interest expense on long-term debt	(503,520)	(508,985)
Interest expense on customer deposits	(3,953)	(903)
Other	(2,476)	(2,475)
	(509,949)	(512,363)
Net finance costs recognized in profit or loss	$ (467,756)	$ (497,808)

16. Commitments and contingencies:

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, 2022, no assessments have been made.

17. Related party transactions:

(a) Parents and ultimate controlling party:

The sole shareholder of the Corporation is Centre Wellington Energy Inc. Centre Wellington Energy Inc. is a wholly-owned subsidiary of the Township of Centre Wellington. The Township produces consolidated financial statements that are available for public use.

(b) Outstanding balances with related parties:

	2022	2021
Township of Centre Wellington - receivable	$ 117,985	$ 170,110
Township of Centre Wellington - payable	(803,820)	(838,335)
Township of Centre Wellington - note payable (note 11)	(5,046,753)	(5,046,753)
	$ (5,732,588)	$ (5,714,978)

(c) Transactions with ultimate parents (the Township):

The Corporation provides water and sewage billing and collection services to the customers of the former Town of Fergus and the Village of Elora, which are located within the Township, as well as supplying street light energy and street lighting maintenance services to the former Town of Fergus and Village of Elora. Revenue includes $202,406 (2021 - $191,337) from the Township for these services.

The Corporation also delivers electricity to the Township throughout the year for the electricity needs of the Township and its related organizations. Electricity delivery charges are at prices and under terms approved by the OEB. The Corporation also provides additional services to the Township, including streetlight maintenance services, sentinel lights and water and waste water billing and customer care services.

17. Related party transactions (continued):

(d) Key management personnel:

The key management personnel of the Corporation have been defined as members of its board of directors and executive management team members. The compensation paid or payable is as follows:

	2022	2021
Directors' fees	$ 46,399	$ 49,180
Salaries and other benefits	548,135	545,002
	$ 594,534	$ 594,182

18. 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 Township of Centre Wellington promissory note approximates the carrying value due to the short term nature of loan.

The fair value of the Ontario Infrastructure long-term debt at December 31, 2022 is $3,361,311. 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, 2022 ranged from 4.27% to 4.32%.

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.

18. Financial instruments and risk management (continued):

(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 Township of Centre Wellington. As at December 31, 2022, one customer accounts for a balance 6.5% of total accounts receivable (2021 - 5.9%).

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, 2022 is $18,600 (2021 - $18,600). An impairment loss of $6,243 (2021 - $5,188) 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, 2022, approximately $25,781 (2021 - $15,403) is considered 60 days past due. The Corporation has over 6,900 customers, the majority of whom are residential. Credit risk is managed through collection of security deposits from customers in accordance with directions provided by the OEB and through credit insurance. As at December 31, 2022, the Corporation holds security deposits in the amount of $171,643 (2021 - $180,797).

(b) Market risk:

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

A 1% increase in the interest rate at December 31, 2022 would have increased interest expense on the long-term debt by $85,896 (2021 - $87,305), assuming all other variables remain constant. A 1% decrease in the interest rate would have an equal but opposite effect.

18. Financial instruments and risk management (continued):

(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 $2,000,000 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, 2022, no amounts had been drawn under the Corporation's credit facility.

The Corporation also has a facility for $450,000 (the "LC" facility) for the purpose of issuing letters of credit mainly to support the prudential requirements of the IESO, of which $nil has been drawn and posted with the IESO (2021 - $nil).

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

(d) Capital disclosures:

The main objectives of the 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, 2022, shareholder's equity amounts to $10,661,894 (2021 - $10,108,809) and long-term debt amounts to $8,517,783 (2021 - $8,661,444).

19. Comparative information:

Certain comparative information have been reclassified from those previously presented to conform to the presentation of the 2022 financial statements.

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
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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				553,086	A
Add:					
Provision for income taxes – deferred	102	160,249			
Amortization of tangible assets	104	751,293			
Amortization of intangible assets	106	743			
Loss on disposal of assets	111	12,073			
Charitable donations and gifts from Schedule 2	112	21,058			
Taxable capital gains from Schedule 6	113	19,209			
Non-deductible club dues and fees	120	591			
Non-deductible meals and entertainment expenses	121	1,238			
Reserves from financial statements – balance at the end of the year	126	265,592			
Subtotal of additions		1,232,046	▶	1,232,046	
Add:					
Taxable/non-deductible other comprehensive income items	239	8,687			

Other additions:

	1 Description 605	2 Amount 295
1	12(1)(a) Customer Deposits	171,643
2	Capital contributions received 12(1)(x)	31,414
	Total of column 2	203,057

Total of column 2 ▶	296	203,057			
Subtotal of other additions	199	211,744	▶	211,744	D
Total additions	500	1,443,790	▶	1,443,790	
Amount A **plus** line 500				1,996,876	B
Deduct:					
Capital cost allowance from Schedule 8	403	1,322,442			
Reserves from financial statements – balance at the beginning of the year	414	104,724			
Contributions to deferred income plans from Schedule 15	417	32,959			
Subtotal of deductions		1,460,125	▶	1,460,125	

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	20(1)(m) Customer Deposits	171,643
2	ITA 13(7.4) Election - capital contributions received	31,414
3	Amortization of deferred revenue	22,709
4	Tax grouped with regulatory	106,367
5	Current regulatory balance - FY 2022	430,596
	Total of column 2	762,729

Total of column 2 ▶ 396 762,729

Subtotal of other deductions	499	762,729 ▶	762,729	E
Total deductions	510	2,222,854 ▶	2,222,854	
Net income (loss) for income tax purposes (amount B **minus** line 510)			-225,978	C

Enter amount C on line 300 of the T2 return.

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
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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	21,058
Subtotal	21,058
Add: Total donations of less than $100 each	
Total donations in current tax year	21,058

Part 1 – Charitable donations

	Line	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	21,058		21,058	21,058
Subtotal (line 250 **plus** line 210)		21,058	1B	21,058	21,058
Subtotal (line 240 **plus** amount 1B)		21,058	1C	21,058	21,058
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		21,058	1D	21,058	21,058
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260				
Charitable donations closing balance (amount 1D **minus** line 260)	280	21,058		21,058	21,058

	Line	Amount	
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).

	Line	Amount	
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.

	Line	Amount	
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	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total (to line A)				

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

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes [Note 1] **multiplied** by 75 % ______ 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) ______ 2G

Maximum allowable deduction for charitable donations
(enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least) ______ 2H

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

	Line	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	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

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

Part 4 – Gifts of certified ecologically sensitive land

		Federal		Québec	Alberta
Gifts of certified ecologically sensitive land at the end of the previous tax year			4A		
Gifts of certified ecologically sensitive land expired after 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	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year*	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

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

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

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

Part 5 – Additional deduction for gifts of medicine

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

Federal

a ______ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . **610** ______

Québec

a ______ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

Alberta

a ______ x $\left(\frac{b}{c}\right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . ______

where:

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

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		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	2021-12-31			
2nd prior year	2020-12-31			
3rd prior year	2019-12-31			
4th prior year	2018-12-31			
5th prior year	2017-12-31			
6th prior year*	2016-12-31			
7th prior year	2015-12-31			
8th prior year	2014-12-31			
9th prior year	2013-12-31			
10th prior year	2012-12-31			
11th prior year	2011-12-31			
12th prior year	2010-12-31			
13th prior year	2009-12-31			
14th prior year	2008-12-31			
15th prior year	2007-12-31			
16th prior year	2006-12-31			
17th prior year	2005-12-31			
18th prior year	2004-12-31			
19th prior year	2003-12-31			
20th prior year	2002-12-31			
21st prior year*	2001-12-31			
Total				

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

Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

Year of origin:		Québec
1st prior year	2021-12-31	
2nd prior year	2020-12-31	
3rd prior year	2019-12-31	
4th prior year	2018-12-31	
5th prior year	2017-12-31	
6th prior year*	2016-12-31	
7th prior year	2015-12-31	
8th prior year	2014-12-31	
9th prior year	2013-12-31	
10th prior year	2012-12-31	
11th prior year	2011-12-31	
12th prior year	2010-12-31	
13th prior year	2009-12-31	
14th prior year	2008-12-31	
15th prior year	2007-12-31	
16th prior year	2006-12-31	
17th prior year	2005-12-31	
18th prior year	2004-12-31	
19th prior year	2003-12-31	
20th prior year	2002-12-31	
21st prior year*	2001-12-31	
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
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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, H.1, I, I.1, I.2 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	Sun Life Financial		2			
2			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) [1] **240**	F1	G Eligible dividends included in column F **242**	H Total taxable dividends paid by the **connected** payer corporation (line 460 in Schedule 3 for the tax year in column D) **250**	H.1 Total eligible dividends paid by the **connected** payer corporation (line 465 in Schedule 3 for the tax year in column D)	I Dividend refund of the **connected** payer corporation (for tax year in column D) [2] **260**
1	903		903			
2						

	I.1 Eligible dividend refund of the **connected** payer corporation from its eligible refundable dividend tax on hand (ERDTOH) (amount CC from T2 return for the tax year in column D)	I.2 Additional non-eligible dividend refund of the **connected** payer corporation from its ERDTOH (amount II from T2 return for the tax year in column D)	J Part IV tax for eligible dividends. Dividends (from column G) **multiplied** by 38 1/3% [3] **265**	K Part IV tax before deductions. Dividends (from column F) **multiplied** by 38 1/3% [4] **275**	L Part IV tax before deductions on taxable dividends received from **connected** corporations [5] **280**
1			346	346	
2					

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)		903	1B
Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return)		903	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)		903	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)	346 1G		
Subtotal (amount 1F **plus** amount 1G)	346 ▶	346	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)	346 1J		
Subtotal (amount 1I **plus** amount 1J)	346 ▶	346	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.

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 the purpose of calculating your eligible refundable dividend tax on hand (ERDTOH), Part IV tax on taxable dividends received from **connected** corporations (with a tax year starting after 2018) is equal to the sum of Part IV tax on eligible dividends and non-eligible dividends received from **connected** corporations to the extent that such dividends caused a dividend refund to those corporations from their ERDTOH.

Part IV tax before deductions on taxable dividends received from **connected** corporations for purposes of column L is the sum of (i) and (ii), where

(i) Part IV tax on eligible dividends received from **connected** corporations is equal to amount CC of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 465 of the **connected** payer corporation, **multiplied** by column G; and

(ii) Part IV tax on non-eligible dividends received from **connected** corporations is equal to amount II of the **connected** payer corporation (on page 7 of the T2 return) **divided** by line 470 of the **connected** payer corporation, **multiplied** by the difference between columns F and G.

Part 2 – Calculation of Part IV tax payable

	Line	Amount		Amount	
Part IV tax on dividends received before deductions (amount 1H in part 1)		346	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)		346	▶	346	2B
Current-year non-capital loss claimed to reduce Part IV tax	330	903			
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)		903	2C		
Amount 2C **multiplied** by 38 1 / 3 %				346	2D
Part IV tax payable (amount 2B **minus** amount 2D, if negative enter "0") (enter amount on line 712 of the T2 return)	360				

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.

	Amount	
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") (enter at amount L on page 7 of the T2 return)		2G
Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1)	346	2H
Amount 4C from Schedule 43		2I
Part IV tax payable on taxable dividends received from non-connected corporations (amount 2H **minus** amount 2I, if negative enter "0") (enter at amount M on page 7 of the T2 return)	346	2J

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	Centre Wellington Energy Inc.	82936 6491 RC0001	2022-12-31		
				(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	
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	

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)		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)					
Other dividends paid in the tax year (total of 510 to 540)					
Total dividends paid in the tax year			500		
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)					4B

Attached Schedule with Total

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)

Title Taxable dividends deductible from taxable income under section 112, subsec

Description	Operator (Note)	Amount	
T5 #1		223	00
T5 #2	+	680	00
	+		
	Total	903	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 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the federal Income Tax Act, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the T2 Corporation – Income Tax Guide.
- File this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the federal Income Tax Act.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes			-225,978	1A
Net capital losses deducted in the year (enter as a positive amount)		1B		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)	903	1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		1E		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)		1F		
Subtotal (total of amounts 1B to 1F)	903 ▶		903	1G
Subtotal (amount 1A **minus** amount 1G; if positive, enter "0"			-226,881	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				1I
Subtotal (amount 1H **minus** amount 1I)			-226,881	1J
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)				1K
Current-year non-capital loss (amount 1J **plus** amount 1K; if positive, enter "0") If amount 1L is negative, enter it on line 110 as a positive.			-226,881	1L

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		1,891,658	1M	
Non-capital loss expired **(note 1)**	100			
Non-capital losses at the beginning of the tax year (amount 1M **minus** line 100)	102	1,891,658 ▶		1,891,658
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary **(note 2)** corporation	105			
Current-year non-capital loss (from amount 1L)	110	226,881		
Subtotal (line 105 **plus** line 110)		226,881 ▶		226,881 1N
Subtotal (line 102 **plus** amount 1N)				2,118,539 1O

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

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

Part 1 – Non-capital losses (continued)

Other adjustments (includes adjustments for an acquisition of control)	150			
Section 80 – Adjustments for forgiven amounts	140			
Subsection 111(10) – Adjustments for fuel tax rebate				
Non-capital losses of previous tax years applied in the current tax year Enter line 130 on line 331 of the T2 return.	130			
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax **(note 3)**	135	903		
Subtotal (total of lines 150, 140, 130 and 135)		903	903	1P
Non-capital losses before any request for a carryback (amount 1O **minus** amount 1P)			2,117,636	1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901			
Second previous tax year to reduce taxable income	902			
Third previous tax year to reduce taxable income	903			
First previous tax year to reduce taxable dividends subject to Part IV tax	911			
Second previous tax year to reduce taxable dividends subject to Part IV tax	912			
Third previous tax year to reduce taxable dividends subject to Part IV tax	913			
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)				1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q **minus** amount 1R)	180		2,117,636	

Note 3: Line 135 is the total of lines 330 and 335 from Schedule 3, Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

Note

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

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

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

Part 2 – Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain **(note 6)**				225	
Capital losses before any request for a carryback (amount 2F **minus** line 225)					2G

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

	Capital gain (100%)		Amount carried back (100%)		
First previous tax year		951			
Second previous tax year		952			
Third previous tax year		953			
Subtotal (total of lines 951 to 953)				▶	2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G **minus** amount 2H) **(note 8)**				280	

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

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

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year		3A		
Farm loss expired **(note 9)**	300			
Farm losses at the beginning of the tax year (amount 3A **minus** line 300)	302		▶	
Farm losses transferred on an amalgamation or on the wind–up of a subsidiary corporation	305			
Current-year farm loss (amount 1K in Part 1)	310			
Subtotal (line 305 **plus** line 310)			▶	3B
Subtotal (line 302 **plus** amount 3B)				3C
Other adjustments (includes adjustments for an acquisition of control)	350			
Section 80 – Adjustments for forgiven amounts	340			
Farm losses of previous tax years applied in the current tax year Enter line 330 on line 334 of the T2 Return.	330			
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax **(note 10)**	335			
Subtotal (total of lines 350, 340, 330 and 335)			▶	3D
Farm losses before any request for a carryback (amount 3C **minus** amount 3D)				3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income	921			
Second previous tax year to reduce taxable income	922			
Third previous tax year to reduce taxable income	923			
First previous tax year to reduce taxable dividends subject to Part IV tax	931			
Second previous tax year to reduce taxable dividends subject to Part IV tax	932			
Third previous tax year to reduce taxable dividends subject to Part IV tax	933			
Subtotal (total of lines 921 to 933)			▶	3F
Closing balance of farm losses to be carried forward to future tax years (amount 3E **minus** amount 3F)			380	

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

Note 10: Line 335 is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business		485	
(line 485 ______ – $2,500) **divided** by 2	4A		
Amount 4A or $ 15,000 , whichever is less	▶	4B	
	2,500	4C	
Subtotal (amount 4B **plus** amount 4C)	2,500 ▶		2,500 4D
Current-year restricted farm loss (line 485 **minus** amount 4D)			4E

Continuity of restricted farm losses and request for a carryback

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

Request to carry back restricted farm loss to:

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

Note

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

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year ______ 5A

Listed personal property loss expired **(note 12)** 500 ______

Listed personal property losses at the beginning of the tax year (amount 5A **minus** line 500) 502 ______ ▶ ______

Current-year listed personal property loss (from Schedule 6) 510 ______

Subtotal (line 502 **plus** line 510) ______ 5B

Listed personal property losses from previous tax years applied against listed personal property gains 530 ______
Enter line 530 on line 655 of Schedule 6.

Other adjustments 550 ______

Subtotal (line 530 **plus** line 550) ______ ▶ ______ 5C

Listed personal property losses remaining before any request for a carryback (amount 5B **minus** amount 5C) ______ 5D

Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains 961 ______

Second previous tax year to reduce listed personal property gains 962 ______

Third previous tax year to reduce listed personal property gains 963 ______

Subtotal (total of lines 961 to 963) ______ ▶ ______ 5E

Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D **minus** amount 5E) 580 ______

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

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

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

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

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

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

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

Note

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

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

If you are making an election under paragraph 88(1.1)(f), tick the box . . . . **190** Yes ☐

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	226,881			N/A	903	225,978
1st preceding taxation year 2021-12-31		N/A		N/A			
2nd preceding taxation year 2020-12-31	803,468	N/A		N/A			803,468
3rd preceding taxation year 2019-12-31		N/A		N/A			
4th preceding taxation year 2018-12-31		N/A		N/A			
5th preceding taxation year 2017-12-31	849,798	N/A		N/A			849,798
6th preceding taxation year 2016-12-31		N/A		N/A			
7th preceding taxation year 2015-12-31		N/A		N/A			
8th preceding taxation year 2014-12-31	16,431	N/A		N/A			16,431
9th preceding taxation year 2013-12-31	221,961	N/A		N/A			221,961
10th preceding taxation year 2012-12-31		N/A		N/A			
11th preceding taxation year 2011-12-31		N/A		N/A			
12th preceding taxation year 2010-12-31		N/A		N/A			
13th preceding taxation year 2009-12-31		N/A		N/A			
14th preceding taxation year 2008-12-31		N/A		N/A			
15th preceding taxation year 2007-12-31		N/A		N/A			
16th preceding taxation year 2006-12-31		N/A		N/A			
17th preceding taxation year 2005-12-31		N/A		N/A			
18th preceding taxation year 2004-12-31		N/A		N/A			
19th preceding taxation year 2003-12-31		N/A		N/A			
20th preceding taxation year 2002-12-31		N/A		N/A			*
Total	1,891,658	226,881				903	2,117,636

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

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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

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 6

Summary of Dispositions of Capital Property

Corporation's name	Business number	Tax year-end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- Use this schedule if your corporation disposed of (actual or deemed) capital property or claimed an allowable business investment loss (ABIL), or both, in the tax year.
- All legislative references are to the federal Income Tax Act.
- Also use this schedule to make a designation under paragraph 111(4)(e) if control of the corporation has been acquired by a person or a group of persons.
- For more information, see the section called "Schedule 6, Summary of Dispositions of Capital Property" in the T2 Corporation Income Tax Guide.
- If you need more space, attach additional schedules.

Designation under paragraph 111(4)(e)

Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)? . . . . **050** Yes [ ] No [X]

If **yes**, attach a statement specifying which properties such a designation applies to.

In the various sections of this form:
- The abbreviation **FS** (for foreign source) is used to indicate the capital gain or loss arising from foreign property;
- The abbreviation **PA** (for passive asset) is used to indicate the capital gain or loss arising from the disposition of an asset other than an active asset of the corporation.

Part 1 – Shares

1 Number of shares **100**	2 Name of corporation in which the shares were held **105**	3 Class of shares **106**	4 Date of acquisition YYYYMMDD **110**	5 Proceeds of disposition **120**	6 Adjusted cost base **130**	7 Outlays and expenses from disposition **140**	8 Gain (or loss) (column 5 **minus** columns 6 and 7) **150**	A FS	A PA
	Sunlife Financial - comm			38,418			38,418		X
			Totals	38,418			38,418		

Total adjustment under subsection 112(3) to all losses identified in column 8 . . . . **160** ______

Actual gain or loss from the disposition of shares (total of column 8 **plus** line 160) . . . . 38,418 **A**

Part 2 – Real estate (Do not include losses on depreciable property)

1 Municipal address of real estate 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code **200**	2 Date of acquisition YYYYMMDD **210**	3 Proceeds of disposition **220**	4 Adjusted cost base **230**	5 Outlays and expenses from disposition **240**	6 Gain (or loss) (column 3 **minus** columns 4 and 5) **250**	A FS	A PA
	Totals					**B**	

Part 3 – Bonds

1 Face value of bonds **300**	2 Maturity date YYYYMMDD **305**	3 Name of bond issuer **307**	4 Date of acquisition YYYYMMDD **310**	5 Proceeds of disposition **320**	6 Adjusted cost base **330**	7 Outlays and expenses from disposition **340**	8 Gain (or loss) (column 5 **minus** columns 6 and 7) **350**	A FS	A PA
			Totals					**C**	

Part 4 – Other properties (Do not include losses on depreciable property)

1 Description of other property 400	2 Date of acquisition YYYYMMDD 410	3 Proceeds of disposition 420	4 Adjusted cost base 430	5 Outlays and expenses from disposition 440	6 Gain (or loss) (column 3 **minus** columns 4 and 5) 450	A FS PA
Totals						D

Note

Other property includes capital debts, debts in respect of the disposition of a personal-use property per subsection 50(2), and amounts that arise from foreign currency transactions.

Part 5 – Personal-use property (Do not include listed personal property)

1 Description of personal-use property 500	2 Date of acquisition YYYYMMDD 510	3 Proceeds of disposition 520	4 Adjusted cost base 530	5 Outlays and expenses from disposition 540	6 Gain only (column 3 **minus** columns 4 and 5; if negative, enter "0") 550	A FS PA
Totals						E

Note

You **cannot** deduct losses on dispositions of personal-use property (other than listed personal property or a debt that is a personal-use property) from your income.

Part 6 – Listed personal property

1 Description of listed personal property 600	2 Date of acquisition YYYYMMDD 610	3 Proceeds of disposition 620	4 Adjusted cost base 630	5 Outlays and expenses from disposition 640	6 Gain (or loss)* (column 3 **minus** columns 4 and 5) 650	A FS PA
Totals						

Unapplied listed personal property losses from other years (amount from line 530 of Schedule 4, Corporation Loss Continuity and Application) . . . . 655 ________

Net gains (or losses) from the disposition of listed personal property (total of column 6 **minus** line 655) . . . . ________ F

Note

Net listed personal property losses can only be applied against listed personal property gains.

* Do **not** include gains arising on the disposition of certain certified cultural property to a designated cultural institution. See subparagraph 39(1)(a)(i.1) for more information.

Part 7 – Property qualifying for and resulting in an allowable business investment loss

1 Name of small business corporation 900	2 Shares, enter **1**; debt, enter **2** 905	3 Date of acquisition YYYYMMDD 910	4 Proceeds of disposition 920	5 Adjusted cost base 930	6 Outlays and expenses from disposition 940	7 Loss only (column 4 **minus** columns 5 and 6) 950	A FS PA
Totals							

Allowable business investment losses (ABILs) . . . . Total of Column 7 ________ x 50.0000 % = ________ G

Enter amount G on line 406 of Schedule 1, Net Income (Loss) for Income Tax Purposes.

Note

Properties listed in Part 7 should **not** be included in any other parts of this schedule.

Part 8 – Capital gains or losses

Total of amounts A to F (do **not** include amount F if it is a loss)		38,418	H
Capital gains dividend received in the year	875		
Capital gains reserve opening balance (from Part 1 of Schedule 13, Continuity of Reserves)	880		
Subtotal (amount H **plus** total of lines 875 and 880)		38,418	I
Capital gains reserve closing balance (from Part 1 of Schedule 13, Continuity of Reserves)	885		
Capital gains or losses, excluding ABILs (amount I **minus** line 885)	890	38,418	

FS PA

Part 9 – Taxable capital gains and total capital losses

Capital gains or losses, excluding ABILs (amount from line 890 in Part 8) ..... 38,418 J

Deduct the following amounts included in amount J, that are subject to the zero inclusion rate:

Note
When a taxpayer is entitled to an advantage in respect of a donation, the zero inclusion rate is restricted to only part of the taxpayer's capital gain on disposition of the property. See section 38.2 for more information.

Gain on the donation to a qualified donee of a share, debt obligation, or right listed on a designated stock exchange and other securities under paragraphs 38(a.1)(i) and (iii)	895			
Gain on the donation to a qualified donee of ecologically sensitive land under subsection 38(a.2)*	896			
Exempt portion of the gain on the donation of securities arising from the exchange of a partnership interest under subsection 38(a.3)		a		
Subtotal (line 895 **plus** line 896 **plus** line a)		▶		K
Subtotal (amount J **minus** amount K)			38,418	L

Deemed capital gain from the donation of property included in a flow-through share class of property to a qualified donee under subsection 40(12):

Exemption threshold at time of disposition	897	
The total of all capital gains from the actual disposition of the property	898	

Line 897 or line 898, whichever is less ..... M

FS PA

Taxable capital gains under section 34.2 (line 275 of Schedule 73, Income Inclusion Summary for Corporations that are Members of Partnerships)	x 2 =	899		
Subtotal (total of amounts L and M **plus** line 899)			38,418	N
Allowable capital losses under section 34.2 (line 285 of Schedule 73, Income Inclusion Summary for Corporations that are Members of Partnerships)	x 2 =	901		
Subtotal (amount N **minus** line 901)			38,418	O
Portion of the capital gain that is subject to a 100% inclusion rate per 100(1) **	x 2 =	902		
Total capital gains or losses (amount O **plus** line 902)			38,418	P

FS PA

Taxable capital gains or total capital losses

Total capital losses (if amount P is negative, enter amount P; if amount P is positive, enter "0") ..... Q
Enter amount Q on line 210 of Schedule 4.

Taxable capital gains (if amount P is positive, enter the result of amount P 38,418 multiplied by 50.0000 %; if amount P is negative, enter "0") ..... 19,209 R
Enter amount R on line 113 of Schedule 1.

* Do **not** include gains on donations of ecologically sensitive land to a private foundation.

** Do **not** include any portion of the capital gain that is subject to the 50% inclusion rate. Enter any such portion in Part 4.

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Schedule 7

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name	Business number	Tax year-end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
  - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
  - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
  - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).

  Note: If you are an individual, a trust, or a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment. Individuals and trusts can attach the pages with these completed tables to their respective tax returns.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
  - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
  - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the federal Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Eligible portion of taxable capital gains for the year					002: 19,209	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			012			
Net capital losses of previous years claimed on line 332 on the T2 return			022			
Subtotal (line 012 **plus** line 022)				▶		A
Line 002 **minus** amount A (if negative, enter "0")					19,209	B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)			032	903		
Exempt income	042					
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052					
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	062	903				
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072					
Subtotal (**add** lines 042, 052, 062 and 072)		903 ▶		903		C
Subtotal (line 032 **minus** amount C)				▶		D
Amount B **plus** amount D					19,209	E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)					082:	
Amount E **minus** line 082 (if negative, enter "0") (enter on line 440 of the T2 return)					092: 19,209	

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset note 13)		**705**	19,209
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset note 13)		**710**	
Subtotal (line 705 **minus** line 710) (if negative, enter "0")			19,209 F
Total income from property note 14	**715** 903		
Exempt income	**720**		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	**725**		
Dividends from connected corporations	**730**		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	**735**		
Subtotal (**add** lines 720, 725, 730 and 735) ►		G	
Subtotal (line 715 **minus** amount G)	903 ►		903 H
Amount F **plus** amount H			20,112 I
Total losses from property note 14		**740**	
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year		**741**	
Adjusted aggregate investment income (amount I **minus** line 740, **plus** line 741) (if negative, enter "0")		**745**	20,112

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset note 13)			2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset note 13)			2B
Subtotal (amount 2A **minus** amount 2B) (if negative, enter "0")			2C
Total income from property for each tax year that ended in the preceding calendar year note 14		2D	
Exempt income for each tax year that ended in the preceding calendar year	2E		
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year	2F		
Dividends from connected corporations for each tax year that ended in the preceding calendar year	2G		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year	2H		
Subtotal (**add** amounts 2E, 2F, 2G and 2H) ►		2I	
Subtotal (amount 2D **minus** amount 2I) ►			2J
Amount 2C **plus** amount 2J			2K
Total losses from property for each tax year that ended in the preceding calendar year note 14			2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year		**742**	
Adjusted aggregate investment income (amount 2K **minus** amount 2L, **plus** line 742) (if negative, enter "0")		**744**	

(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year			001	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)			009	
Subtotal (line 001 **minus** line 009) (if negative, enter "0")				J
Total income from property from a source **outside Canada** (net of related expenses)		019		
Exempt income	029			
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)	049			
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	059			
Subtotal (**add** lines 029, 049, and 059)	►	K		
Subtotal (line 019 **minus** amount K)		►		L
Amount J **plus** amount L				M
Total losses from property from a source **outside Canada**			069	
Amount M **minus** line 069 (if negative, enter "0") (enter on line 445 of the T2 return)			079	

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*	
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*	19,209		19,209	1.1
Eligible portion of capital gains reserves (addition/deduction)*, **				1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**				1.3
Eligible portion of the taxable capital gains for the year (**add** amounts 1.1, 1.2, and 1.3)	19,209		19,209	1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*				2.1
Net capital losses of previous years (line 332 on the T2 return)				2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**				2.3
Allowable capital losses for the year (**add** amounts 2.1, 2.2 and 2.3)				2
Amount 1 **minus** amount 2 (if negative, enter "0")	19,209		19,209	3
Taxable dividends	903		903	4.1
Rental property income (under regulation 1100(11))				4.2
Other property income*				4.3
Property income under section 34.2 (line 280 of Schedule 73)**				4.4
Total property income (**add** amounts 4.1, 4.2, 4.3 and 4.4)	903		903	4
Exempt income				5.1
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year				5.2
Taxable dividends deductible (total of column F on Schedule 3 **minus** related expenses)*	903			5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)				5.4
Add amounts 5.1, 5.2, 5.3 and 5.4	903			5
Amount 4 **minus** amount 5			903	6
Amount 3 **plus** amount 6	19,209		20,112	7
Rental property losses (under regulation 1100(11))				8.1
Dividend losses				8.2
Other property losses*				8.3
Property losses under section 34.2 (line 280 of Schedule 73)**				8.4
Total property losses (**add** amounts 8.1, 8.2, 8.3 and 8.4)				8
Amount 7 **minus** amount 8 (if negative, enter "0")	19,209			9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year				10
Amount 7 **minus** amount 8 **plus** amount 10 (if negative, enter "0")			20,112	11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2, 1.3, 2.1 and 2.3, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends	A*	Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3		903		903
Less: Expenses related to such dividends				
Total expenses				
Net taxable dividends		903		903

* Column A – Enter an "X" if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A	A1	1A
Is the corporation a designated member of the partnership?	Partnership name 200	Partnership's account number
Yes No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business 300	Your share of amount in column B1 310	Income of the corporation from providing (directly or indirectly) services or property to the partnership 311	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D **minus** column 2D) 315	Corporation's income (loss) in respect of the partnership note 2 (**add** columns C1, D1 and E1) 320

Total 350 ____________

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period note 15 325	Prorated business limit notes 2 and 3 (column C1 ÷ column B1) × [$ 500 000 × (column G1 ÷ 365)] (if column C1 is negative, enter "0") 330	Specified partnership business limit **assigned to you** (from H2 in Table 2) note 5 335	Specified partnership business limit **assigned by you** from F3 in Table 3) note 6 336	Specified partnership business limit amount (column H1 **plus** column I1 **minus** column J1)	Column F1 **minus** column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4 340

Total 385 ____________ 360 ____________

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount . . . . 370 ____________

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) . . . . 380 ____________

Subtotal (line 370 **plus** line 380) ____________ N

Amount at line 385 or amount N, whichever is less . . . . 390 ____________

Specified partnership income (line 360 **plus** line 390) . . . . 400 ____________
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a member of the partnership and are **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name 405	Partnership's account number	Name of the member 406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable) 410	Social insurance number of the member (if applicable) 411	Trust account number of the member (if applicable) 412	Tax year start of the member (YYYYMMDD) 415	Tax year-end of the member (YYYYMMDD) 416	Specified partnership business limit assigned to you by the member note 7 420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name 425	Partnership's account number	Name of the designated member 426

C3	D3	E3	F3
Business number of the designated member 430	Tax year start of the designated member (YYYYMMDD) 435	Tax year-end of the designated member (YYYYMMDD) 436	Specified partnership business limit assigned by you to the designated member note 8 440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450)		O
Specified partnership loss (from line 380 in Part 4)		P
Subtotal (amount O **plus** amount P)		Q
Specified partnership income (from line 400 in Part 4)		R
Partnership income not eligible for the small business deduction (amount Q **minus** amount R) (enter at amount Z in Part 6)	450	

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return		-225,978 S	
Allowable business investment loss from line 406 of Schedule 1		T	
Subtotal (amount S **plus** amount T)		-225,978 ▶	-225,978 U
Foreign business income after deducting related expenses note 9	500		
Taxable capital gains from line 113 of Schedule 1		19,209 V	
Net property income (line 032 note 10 **minus** the total of lines 042, 052 and 082 note 9 in Part 1)		903 W	
Personal services business income after deducting related expenses note 9	e1		
Other income after deducting related expenses note 9	e2		
Subtotal (amount e1 **plus** amount e2) note 9	▶ 520		
Subtotal (**add** line 500, amount V, amount W and line 520)		20,112 ▶	20,112 X
Net amount (amount U **minus** amount X)			-246,090 Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)		Z	
Partnership income allocated to your corporation under subsection 96(1.1)	530		
Income referred to in clause 125(1)(a)(i)(C)	540		
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)		AA	
Subtotal (**add** amount Z, line 530, line 540 and amount AA)		▶	BB
Specified corporate income (from line 625 in Part 7)			CC
Income eligible for the small business deduction (amount Y **minus** amount BB, **plus** amount CC) (enter amount DD on line 400 of the T2 return - if negative, enter "0")			DD

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation 600	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE note 11 610	GG Business limit assigned from the corporation identified in column EE note 12 620
1				
			Total 615	Total 625

See the privacy notice on your return.

Notes

1. Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

   In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives $100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of $40,000 of active business income, $30,000 of income from property, and $30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

   Add:
   - the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
   - the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)

   Deduct:
   - the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
   - the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)
2. When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.
3. **If** you are a **designated member** of the partnership, enter "0".
4. You must enter "0" **if** the partnership provides services or property to either:

   (A) a private corporation (directly or indirectly in any manner whatever) in the year, if:
   - you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
   - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
     - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
     - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

   (B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:
   - you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
   - it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
     - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
     - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.
5. If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit,** complete Table 2 to determine the amounts to enter in Table 1 column I1.
6. If you are a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.
7. Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.
8. Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.
9. If negative, enter amount in brackets, and **add** instead of subtracting.
10. Net of related expenses.
11. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

    (A) at any time in the year, you (or one of your shareholders) or a person that does not deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

    (B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to

    (I) persons (other than the private corporation) with which you deal at arm's length, or

    (II) partnerships with which you deal at arm's length, other than a partnership in which a person that does not deal at arm's length with you holds a direct or indirect interest.

    Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.
12. The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

13. Active asset, of a particular corporation at any time, means property that is:
    (A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,
    (B) a share of the capital stock of another corporation if, at that time,
    - the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
    - the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
      – the references in that definition to an "individual" were references to the particular corporation, and
      – that definition were read without reference to "the individual's spouse or common-law partner", or
    (C) an interest in a partnership, if:
    - at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
    - throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
    - at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).
14. Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation’s income for the year (even if those amounts were not included in the computation of the corporation’s aggregate investment income in Part 1).
15. The maximum number of days that can be entered in column G1 for a partnership's fiscal period is 365, it is not adjusted for a leap year.

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

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 ☒

Part 1 – Agreement between associated eligible persons or partnerships (EPOPs)

Are you associated in the tax year with one or more EPOPs with which you have entered into an agreement under subsection 1104(3.3) of the Regulations? . . . . **105** Yes ☒ No ☐

If you answered **yes**, complete Part 1. Otherwise, go to Part 2.

Enter a percentage assigned to each associated EPOP (including your corporation) as determined in the agreement.

This percentage will be used to allocate the immediate expensing limit. The total of all the percentages assigned under the agreement should not exceed 100%. If the total is more than 100%, then the associated group has an immediate expensing limit of nil. For more information about the immediate expensing limit, see note 12 in Part 2.

	1 Name of EPOP **110**	2 Identification number See **note 1** **115**	3 Percentage assigned under the agreement **120**
1.	CENTRE WELLINGTON HYDRO LTD.	865470769RC0001	100.000
2.	Centre Wellington Energy Inc.	829366491RC0001	
3.	Centre Wellington Energy Innovations Inc.	794566893RC0001	
		Total	100.000

Immediate expensing limit allocated to the corporation (see **note 2**) **125** 1,500,000

Note 1: The identification number is the social insurance number, business number, or partnership account number of the EPOP.

Note 2: If the total of column 3 is more than 100%, enter 0.

Part 2 – CCA calculation

	1 Class number See note 3 200	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 4 203	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) See note 5 232	5 Adjustments and transfers See note 6 205	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 7 221	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 8 222	8 Proceeds of dispositions See note 9 207
1.	1		5,434,533						0
2.	1b		177,573						0
3.	1b		33,004						0
4.	8	Other tools & equipment	281,233	40,078	40,078				0
5.	10		6,103						0
6.	10		189,784						0
7.	12								0
8.	14.1	Land Rights Contract	28,750						0
9.	17		3,430						0
10.	45		5						0
11.	47	Distribution Assets	8,980,746	454,783					0
12.	50		15,859	153,866	153,866				0
13.	95	Construction WIP	7,635	145,382	145,382	-7,635			0
		Totals	15,158,655	794,109	339,326	-7,635			

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See note 10	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See note 11 236	12 Immediate expensing See note 12 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See note 13 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See note 14
1.	1			5,434,533					5,434,533	
2.	1b			177,573					177,573	
3.	1b			33,004					33,004	
4.	8	Other tools & equipment		321,311	40,078	40,078			281,233	
5.	10			6,103					6,103	

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** 236	12 Immediate expensing See **note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 4 **plus** column 11 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **minus** column 9 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
6.	10			189,784					189,784	
7.	12									
8.	14.1	Land Rights Contract		28,750					28,750	
9.	17			3,430					3,430	
10.	45			5					5	
11.	47	Distribution Assets		9,435,529			454,783	454,783	9,435,529	
12.	50			169,725	153,866	153,866			15,859	
13.	95	Construction WIP		145,382	145,382		145,382	145,382	145,382	
		Totals		15,945,129	339,326	193,944	600,165	600,165	15,751,185	

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 Net capital cost additions of AIIP and property included in Classes 54 to 56 acquired during the year (column 14 **minus** column 16) (if negative, enter "0")	18 UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 **multiplied** by the relevant factor) See **note 15**	19 UCC adjustment for property acquired during the year other than AIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 13 **minus** column 14 **minus** column 6 **plus** column 7 **minus** column 8 **plus** column 9) (if negative, enter "0") See **note 16** 224	20 CCA rate % See **note 17** 212	21 Recapture of CCA See **note 18** 213	22 Terminal loss See **note 19** 215	23 CCA (for declining balance method, the result of column 15 **plus** column 18 **minus** column 19, **multiplied** by column 20, or a lower amount, **plus** column 12) See **note 20** 217	24 UCC at the end of the year (column 10 **minus** column 23) 220
1.	1					4	0	0	217,381	5,217,152
2.	1b					6	0	0	10,654	166,919
3.	1b					6	0	0	1,980	31,024
4.	8	Other tools & equipment				20	0	0	96,325	224,986
5.	10					30	0	0	1,831	4,272
6.	10					30	0	0	56,935	132,849
7.	12					100	0	0		
8.	14.1	Land Rights Contract				5	0	0	1,438	27,312
9.	17					8	0	0	274	3,156
10.	45					45	0	0	2	3
11.	47	Distribution Assets	454,783	227,392		8	0	0	773,034	8,662,495
12.	50					55	0	0	162,588	7,137
13.	95	Construction WIP	145,382	72,691		0	0	0		145,382
		Totals	600,165	300,083					1,322,442	14,622,687

Enter the total of column 21 on line 107 of Schedule 1.
Enter the total of column 22 on line 404 of Schedule 1.
Enter the total of column 23 on line 403 of Schedule 1.

Note 3: 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.

Note 4: 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 5: A DIEP reported in column 4 is a property acquired after April 18, 2021, by a corporation that was a Canadian-controlled private corporation (CCPC) throughout the year, which became available for use in the tax year (before 2024) and was designated as such on or before the day that is 12 months after the filing-due date for the tax year to which the designation relates. It includes all capital property subject to the CCA rules, if certain conditions are met, other than property included in Classes 1 to 6, 14.1, 17, 47, 49, and 51. A property can only qualify as DIEP in the year in which it becomes available for use. See subsection 1104(3.1) of the Regulations for more information.

Note 6: Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 10). 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 7: 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.

Part 2 – CCA calculation (continued)

Note 8: Include all amounts you have repaid during the year for 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 9: For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
If the cost of a zero-emission passenger vehicle (or a passenger vehicle that was, at any time, a DIEP) exceeds the prescribed amount, the proceeds of disposition will be adjusted based on a factor equal to the prescribed amount as a proportion of the actual cost of the vehicle.

Note 10: If the amount in column 5 (as shown in brackets) reduces the undepreciated capital cost, you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.

Note 11: The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) are met.

Note 12: Immediate expensing applies to a DIEP included in column 11. The total immediate expensing for the tax year (total of column 12) should not exceed the lesser of:

1. Immediate expensing limit: it is equal to one of the following five amounts, whichever is applicable:

- $1.5 million, if you are not associated with any other EPOP in the tax year
- amount from line 125, if you are associated in the tax year with one or more EPOPs
- nil, if the total of the percentages assigned in Part 1 is more than 100% or you are associated in the tax year with one or more EPOPs and have not filed an agreement in prescribed form as required under subsection 1104(3.3) of the Regulations
- the amount determined under subsection 1104(3.5) of the Regulations for any second or subsequent tax years ending in a calendar year, if you have two or more tax years ending in the calendar year in which you are associated with another EPOP that has a tax year ending in that calendar year
- any amount allocated by the minister under subsection 1104(3.4) of the Regulations

The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.

2. UCC of the DIEP: total of column 11

You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.

Note 13: An AIIP is a property (other than property included in Classes 54 to 56) that you acquired after November 20, 2018, and that became available for use before 2028.
Classes 54 and 55 include zero-emission vehicles that you acquired after March 18, 2019, and that became available for use before 2028.
Class 56 applies to eligible zero-emission automotive equipment and vehicles (other than motor vehicles) that are acquired after March 1, 2020, and that became available for use before 2028.
See the T2 Corporation Income Tax Guide for more information.

Note 14: Include only elements from columns 6 and 7 that are not related to the DIEP.

Note 15: The relevant factors for property of a class in Schedule II, that is an 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 20 for additional information) and
- 0.5 for all other property that is an AIIP

Part 2 – CCA calculation (continued)

Note 16: The UCC adjustment for property acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP, property included in Classes 54 to 56, and property to which the immediate expensing was applied). Include only elements from columns 6 and 7 that are not related to the DIEP.
For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.

Note 17: 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 23.

Note 18: If the amount in column 10 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 10 in column 21 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1. However, they do apply to a passenger vehicle that was, at any time, a DIEP.

Note 19: 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 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. 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
- 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 20: 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 paragraphs 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
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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.	Centre Wellington Energy Inc.		82936 6491 RC0001	1					
2.	The Corporation of Township of Cer		87256 7136 RC0001	3					
3.	Centre Wellington Energy Innovatic		79456 6893 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.
Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Recoveries of regulatory assets					
2	Post-employment benefits	263,560		265,592	263,560	265,592
3	Settlement variance	-158,836			-158,836	
4						
	Reserves from Part 2 of Schedule 13					
	Totals	104,724		265,592	104,724	265,592

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

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

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

	Type of plan (see note 1) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	143,993	591091			

Note 1

Enter the applicable code number:

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

Note 2

You do not need to add to Schedule 1 any payments you made to deferred income plans.
To reconcile such payments, calculate the following amount:

Total of all amounts indicated in column 200 of this schedule . . . . 143,993 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements . . . . . 111,034 B

Deductible amount for contributions to deferred income plans
(amount A **minus** amount B) (if negative, enter "0") . . . . 32,959 C

Enter amount C on line 417 of Schedule 1

Note 3

T4PS slip(s) filed by: 1 – Trustee
2 – Employer (EPSP only)

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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 2022

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	CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	1	500,000	100.0000	500,000	
2	Centre Wellington Energy Inc.	82936 6491 RC0001	1	500,000			
3	The Corporation of Township of Centre Wellingt	87256 7136 RC0001	3				
4	Centre Wellington Energy Innovations Inc.	79456 6893 RC0001	1	500,000			
				Total	100.0000	500,000	A

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

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

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

Special rules for business limit

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

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)

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2021-12-31				
2020-12-31				
2019-12-31				
2018-12-31				
2017-12-31				
2016-12-31	2,000			2,000
2015-12-31	2,000			2,000
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				*
Total	4,000			4,000

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
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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:

	Line	Amount		
Reserves that have not been deducted in calculating income for the year under Part I	101	279,983		
Capital stock (or members' contributions if incorporated without share capital)	103	5,035,066		
Retained earnings	104	5,626,828		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	8,689,426		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		19,631,303 ▶	19,631,303	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)			19,631,303 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		19,631,303

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	220,649
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	220,649

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)		19,631,303 C
Deduct: Investment allowance for the year (line 490)		220,649 D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	19,410,654

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)	19,410,654	x	Taxable income earned in Canada **610** / Taxable income	1,000 / 1,000	= **Taxable capital employed in Canada** **690**	19,410,654

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 – Reserves that have not been deducted in calculating income for the year under Part I

Title Part 1 – Reserves that have not been deducted in computing income for the

Description	Operator (Note)	Amount
Sch 13 reserves		263,560 00
Deferred tax liability in regulatory assets/liabilities	+	16,423 00
	Total	279,983 00

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

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Explanatory note

See Trial Balance

Description	Operator (Note)	Amount	
Customer Deposits		171,643	00
Short term debt	+	149,334	00
Long term debt	+	8,368,449	00
	+		
	Total	8,689,426	00

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

Canada Revenue Agency / Agence du revenu du Canada

Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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	Centre Wellington Energy Inc.	865470769RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue Agency / Agence du revenu du Canada

Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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	25,089,854
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	303,000,000
Total assets (total of lines 112 to 116)		328,089,854
Total revenue of the corporation for the tax year **	142	22,421,725
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	51,000,000
Total revenue (total of lines 142 to 146)		73,421,725

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	553,086
Add (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220			
Provision for deferred income taxes (debits)/cost of future income taxes	222	160,249		
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		160,249	▶	160,249 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	903		
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		903	▶	903 B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	712,432

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

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

Note

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

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

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

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

* **Rules for net income/loss**

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

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

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

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

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

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

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

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

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

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

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive) . . . . **515** ______

Deduct:

CMT loss available (amount R from Part 7) . . . . ______

Minus: Adjustment for an acquisition of control * . . . . . . **518** ______

Adjusted CMT loss available . . . . ______ ▶ ______ C

Net income subject to CMT calculation (if negative, enter "0") . . . . **520** ______

Amount from line 520	______	x	Number of days in the tax year before July 1, 2010 / Number of days in the tax year	______ / 365	x	4 % =	______ 1
Amount from line 520	______	x	Number of days in the tax year after June 30, 2010 / Number of days in the tax year	365 / 365	x	2.7 % =	______ 2

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

Gross CMT: amount on line 3 above x OAF ** . . . . **540** ______

Deduct:

Foreign tax credit for CMT purposes *** . . . . **550** ______

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") . . . . ______ D

Deduct:

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) . . . . ______

Net CMT payable (if negative, enter "0") . . . . ______ E

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

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

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

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

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

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

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

Ontario allocation factor . . . . 1.00000 F

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

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

Part 4 – Calculation of CMT credit carryforward

CMT credit carryforward at the end of the previous tax year *		G		
Deduct:				
CMT credit expired *	600			
CMT credit carryforward at the beginning of the current tax year * (see note below)		▶	620	
Add:				
CMT credit carryforward balances transferred on an amalgamation or the windup of a subsidiary (see note below)			650	
CMT credit available for the tax year (amount on line 620 **plus** amount on line 650)				H
Deduct:				
CMT credit deducted in the current tax year (amount P from Part 5)				I
Subtotal (amount H **minus** amount I)				J
Add:				
Net CMT payable (amount E from Part 3)				
SAT payable (amount O from Part 6 of Schedule 512)				
Subtotal		▶		K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	L

* For the first harmonized T2 return filed with a tax year that includes days in 2009:

- do not enter an amount on line G or line 600;
- for line 620, enter the amount from line 2336 of Ontario CT23 Schedule 101, *Corporate Minimum Tax (CMT)*, for the last tax year that ended in 2008.

For other tax years, enter on line G the amount from line 670 of Schedule 510 from the previous tax year.

Note: If you entered an amount on line 620 or line 650, complete Part 6.

Part 5 – Calculation of CMT credit deducted from Ontario corporate income tax payable

CMT credit available for the tax year (amount H from Part 4)				M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			1	
For a corporation that is not a life insurance corporation:				
CMT after foreign tax credit deduction (amount D from Part 3)		2		
For a life insurance corporation:				
Gross CMT (line 540 from Part 3)		3		
Gross SAT (line 460 from Part 6 of Schedule 512)		4		
The **greater** of amounts 3 and 4		5		
Deduct: line 2 or line 5, whichever applies:			6	
Subtotal (if negative, enter "0")			▶	N
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)				
Deduct:				
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 **minus** line 450 from Schedule 5)				
Subtotal (if negative, enter "0")			▶	O
CMT credit deducted in the current tax year (least of amounts M, N, and O)				P

Enter amount P on line 418 of Schedule 5 and on line I in Part 4 of this schedule.

Is the corporation claiming a CMT credit earned before an acquisition of control? **675** 1 Yes ☐ 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
CENTRE WELLINGTON HYDRO LTD.	86547 0769 RC0001	2022-12-31

- 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	Centre Wellington Energy Inc.	82936 6491 RC0001	0	0
2	The Corporation of Township of Centre Wellington	87256 7136 RC0001	0	0
3	Centre Wellington Energy Innovations Inc.	79456 6893 RC0001	0	0
		Total	450	550

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.

T2 SCH 511 Canada