EXHIBIT 6 – REVENUE REQUIREMENT

2025 Cost of Service

Algoma Power Inc.
EB-2024-0007

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6.2 CALCULATION OF REVENUE REQUIREMENT

6.2.1 DETERMINATION OF NET UTILITY INCOME

API's current distribution rates are based on Board Approved rates effective January 1, 2024 through an IRM proceeding (EB-2023-0005). In accordance with the filing requirements, utility income calculated in this Exhibit is based on existing Board Approved rates and proposed 2025 Test Year rates, and excludes any cost and revenues related to the cost of power as well as balances in deferral and variance accounts. The OEB's Revenue Requirement Work Form ("RRWF") is included as Attachment A to this Exhibit and has also been filed in Excel format in conjunction with this Application.

As detailed in Section 6.2.6, API's 2025 Test Year revenue requirement results in a target net income (return on deemed equity) of $6,550,022.

Table 1 shows that the projected 2025 distribution revenue at current rates is $31,918,843 (applying API's "equivalent rates"). Inputting this amount in cell E25 on Sheet 3 of the RRWF results in a calculated 2025 revenue deficiency of $3,193,707, as detailed in Section 6.3.1. Table 2 shows the calculation of 2025 rates required to reduce the revenue deficiency to $0 and to allow API to earn its target net income. The calculated rates in Table 2[1], and the reconciliation of the forecasted 2025 revenue to the 2025 Base Revenue Requirement calculated in Section 6.2.2 are consistent with Sheet 13 of the RRWF.

[1] The rates shown in Table 2 and in the Cost Allocation and parts of Rate Design are presented on the basis of "equivalent rates", as defined in Exhibit 8. Please refer to Exhibit 8 for an explanation of "equivalent rates" and the determination of actual proposed rates and RRRP funding for 2025.

Table 1 – Test Year Distribution Revenues at Current Rates (Equivalent where applicable)

	Test Year Projected Revenue from Existing Variable Charges							
Customer Class Name	Variable Distribution Rate (Equivalent Rates)	per	Test Year Volume	Gross Variable Revenue	Transform Allowance Rate	Transforme Allowance kW's	Transform Allowance $'s	Net Variable Revenue
Residential R1	$ 0.0617	kWh	131,653,365	$ 8,123,013				$ 8,123,013
Residential R2	$ 18.3886	kW	372,457	$ 6,848,971	-$ 0.60	331,251	-$ 198,751	$ 6,650,220
Seasonal	$ 0.0384	kWh	5,958,052	$ 228,789				$ 228,789
Street Lighting	$ 0.3361	kWh	548,977	$ 184,511				$ 184,511
Total Variable Revenue				**$15,385,284**		**331,251**	**-$ 198,751**	**$ 15,186,533**

2024 Rates at 2025 Load	Total Test Year Projected Revenue from Existing Rates							
Customer Class Name	Fixed Rate (Equivalent Rates)	Customers /Devices	Fixed Charge Revenue	Variable Revenue	TOTAL	% Fixed Revenue	%Variable Revenue	%Total Revenue
Residential R1	$ 114.11	9,674	$ 13,246,451	$ 8,123,013	$ 21,369,464	62.0%	38.0%	66.9%
Residential R2	$ 1,394.67	45	$ 757,403	$ 6,650,220	$ 7,407,623	10.2%	89.8%	23.2%
Seasonal	$ 82.79	2,717	$ 2,699,604	$ 228,789	$ 2,928,393	92.2%	7.8%	9.2%
Street Lighting (Devices)	$ 2.08	1,156	$ 28,852	$ 184,511	$ 213,364	13.5%	86.5%	0.7%
RRRP								
Total		**13,593**	**$ 16,732,310**	**$15,186,533**	**$ 31,918,843**			**100.0%**

Table 2 – Test Year Distribution Revenues at Proposed Rates

2025 Rates at 2025 Load	Test Year Projected Revenue from Proposed Variable Charges							
Customer Class Name	Variable Distribution Rate	per	Test Year Volume	Gross Variable Revenue	Transformer Allowance Rate	Transformer Allowance kW's	Tranformer Allowance $'s	Net Variable Revenue
Residential R1(i)	$ -	kWh	102,025,758	$ -	-$ 0.60	-	$ -	$ -
Residential R1(ii)	$ 0.042000	kWh	29,627,607	$ 1,244,359	-$ 0.60	-	$ -	$ 1,244,359
Residential R2	$ 3.981100	kW	372,457	$ 1,482,790	-$ 0.60	331,251	-$ 198,751	$ 1,284,040
Seasonal	$ 0.044800	kWh	5,958,052	$ 266,921	-$ 0.60	-	$ -	$ 266,921
Street Lighting	$ 0.431200	kWh	548,977	$ 236,719	-$ 0.60	-	$ -	$ 236,719
Total Variable Revenue				**$ 3,230,789**		**331,251**	**-$ 198,751**	**$ 3,032,039**

2025 Rates at 2025 Load	Test Year Projected Revenue from Proposed Rates Less Transformer Allowance						
Customer Class Name	Fixed Rate	Customer (Connections)	Fixed Charge Revenue	Variable Revenue	Total	%Fixed Revenue	%Variable Revenue	%Total Revenue
Residential R1(i)	$ 66.59	8621	$ 6,888,715	$ -	$ 6,888,715	100%	0%	19.62%
Residential R1(ii)	$ 29.86	1053	$ 377,288	$ 1,244,359	$ 1,621,648	23%	77%	4.62%
Residential R2	$ 768.33	45	$ 417,257	$ 1,284,040	$ 1,701,296	25%	75%	4.85%
Seasonal	$ 96.68	2717	$ 3,152,527	$ 266,921	$ 3,419,448	92%	8%	9.74%
Street Lighting	$ 2.67	1156	$ 37,037	$ 236,719	$ 273,755	14%	86%	0.78%
RRRP	$ 21,206,759.41		$ 21,206,759	$ -	$ 21,206,759	100%	0%	60.40%
Total Revenue		**13,592**	**$ 32,079,583**	**$ 3,032,039**	**$ 35,111,621**			
			Base Revenue Requirement:		**$ 35,112,550.56**			
			Difference due to Rounding :		**-$ 929**			
					-0.003%			

6.2.2 PROPOSED REVENUE REQUIREMENT

API's 2025 Service Revenue Requirement of $35,768,551 represents the total revenue required by API in order to continue distributing electricity safely and reliably. The Service Revenue Requirement consists of OM&A expenses, costs related to capital investments (depreciation and return on capital), as well as payment of both property taxes and income taxes.

The 2025 Base Revenue Requirement of $35,112,551 is the basis for determining 2025 distribution rates and the 2025 RRRP funding amount, based on the cost allocation study presented in Exhibit 7 and the rate design process presented in Exhibit 8. This amount is calculated as the Service Revenue Requirement, less a Revenue Offset of $656,000, being the net revenue received from sources other than rates.

Table 3 below summarizes API's proposed 2025 Revenue Requirement, consistent with Sheet 9 of the RRWF.

Table 3 - Test Year Revenue Requirement

Item	2025 Test Year
OM&A Expenses	$ 16,319,014
Depreciation Expense	$ 5,675,782
Property Taxes	$ 260,000
Total Distribution Expense	$ 22,254,796
Regulated Return on Capital	$ 12,555,753
Grossed up income Tax	$ 958,002
Service Revenue Requirement	**$ 35,768,551**
Less: Revenue Offsets	-$ 656,000
Base Revenue Requirement	**$ 35,112,551**

6.2.3 STATEMENT OF RATE BASE

Determination of API's 2025 rate base is required as a first step in determining the return on rate base amount of $12,555,753 in Table 3 above. Table 4 summarizes the calculation of API's rate base for the 2025 Test Year, consistent with the more detailed rate base calculations and analysis contained in Exhibit 2:

Table 4 – Calculation of 2025 Rate Base

Calculation of 2025 Test Year Rate Base	
Gross Fixed Assets (average)	$ 272,738,705
Accumulated Depreciation (average)	-$ 98,625,717
Net Fixed Assets (average)	**$ 174,112,988**
Allowance for Working Capital	$ 3,683,477
Total Rate Base	**$ 177,796,465**

6.2.4 ACTUAL UTILITY RETURN ON RATE BASE

Table 5 below summarizes the calculation of API's 2025 return on rate base, consistent with the cost of capital parameters and capital structure presented in Exhibit 5:

Table 5 – Calculation of Return on Rate Base

	Capitalization Ratio		Cost Rate	Return
	%	$	%	$
Debt				
Long-term Debt	56.00%	$ 99,566,021	5.59%	$ 5,562,662
Short-term Debt	4.00%	$ 7,111,859	6.23%	$ 443,069
Total Debt	60.00%	$ 106,677,879	5.63%	$ 6,005,731
Equity				
Common Equity	40.00%	$ 71,118,586	9.21%	$ 6,550,022
Preferred Shares	0.00%	$ -	0.00%	$ -
Total Equity	40.00%	$ 71,118,586	9.21%	$ 6,550,022
Total	100.00%	$ 177,796,465	7.06%	$ 12,555,753

Table 6 compares API's 2025 return on rate base, at both current approved rates, and proposed rates. The amounts in Table 6 are consistent with the amounts in Sheet 8 of the RRWF and the difference of $3,193,707 is equal to the revenue deficiency before tax gross up identified in Section 6.3 below.

Table 6 – Return on Rate Base – Current vs. Proposed Rates

	At Current Rates	At Proposed Rates	Difference
Deemed Interest Expense	$ 6,005,731	$ 6,005,731	$ -
Return on Deemed Equity	$ 4,202,647	$ 6,550,022	$2,347,375
Total Return on Rate Base	**$ 10,208,378**	**$ 12,555,753**	**$2,347,375**
Base Rate (from Table 4)	$ 177,796,465	$ 177,796,465	$ -
	0	0	
Rate of Return on Rate Base	**5.74%**	**7.06%**	**1.32%**

6.2.5 REQUESTED AND INDICATED RATE OF RETURN

The requested rate of return on rate base is 7.06%. Exhibit 5 provides detail on the determination of this rate, consistent with API's cost of debt and the OEB prescribed cost of capital parameters. As shown in Table 6 above, API's indicated rate of return (i.e. its rate of return on rate base at existing approved rates) is only 5.47%.

6.2.6 UTILITY INCOME AT PROPOSED REVENUE REQUIREMENT

The following table provides the calculation of API's 2025 net income at the proposed 2025 revenue requirement, consistent with Sheet 5 of the RRWF.

Table 7 - Utility Income under proposed Revenue Requirement

Utility Income Under Proposed Revenue Requirement	
Operating Revenues:	
Distribution Revenue (at Proposed Rates)	$ 35,112,551
Other Revenue	$ 656,000
Total Operating Revenue	$ 35,768,551
	$ -
Operating Expenses:	
OM+A Expemses	$ 16,319,014
Depreciation/Amortization	$ 5,675,782
Property Taxes	$ 260,000
Capital Taxes	$ -
Other Expense	$ -
Total Operating Expense	$ 22,254,796
	$ -
Deemed Interest Expense	$ 6,005,731
Total Expense	$ 28,260,527
Utility Income before Income Taxes	$ 7,508,024
Income Taxes (Grossed uo)	$ 958,002
	$ -
Utility Net Income	$ 6,550,022

6.2.7 REVENUE REQUIREMENT TREND

Table 8 below presents API's Revenue Requirement trend from the 2020 Board Approved to 2025 Test Year:

Table 8 - Trend in Revenue Requirement

Item	2020 Board Approved	2020	2021	2022	2023	2024 Bridge	2025 Test
OM & A Expenses	$ 13,687,754	$ 13,356,735	$ 13,608,330	$ 13,901,859	$ 13,993,487	$ 14,606,472	$ 16,319,014
Depreciation Expense	$ 4,034,602	$ 3,924,249	$ 4,049,472	$ 4,188,459	$ 4,297,723	$ 4,828,861	$ 5,675,782
Property Taxes	$ 118,600	$ 120,695	$ 146,380	$ 141,693	$ 243,806	$ 350,000	$ 260,000
Total Distribution Expenses	$ 17,840,956	$ 17,401,679	$ 17,804,182	$ 18,232,011	$ 18,535,016	$ 19,785,333	$ 22,254,796
Regulated return on Capital	$ 8,184,098	$ 7,918,581	$ 8,133,195	$ 8,467,199	$ 9,124,336	$ 10,801,134	$ 12,555,753
Grossed up Income Tax	$ 259,084	$ 635,374	$ 734,407	$ 258,575	-$ 227,130	$ 203,603	$ 958,002
Service Revenue Requirement	**$ 26,284,138**	**$ 25,955,634**	**$ 26,671,784**	**$ 26,957,785**	**$ 27,432,222**	**$ 30,790,070**	**$ 35,768,551**
Less:Revenue Offsets	-$ 488,791	-$ 444,041	-$ 619,526	-$ 706,011	-$ 1,579,997	-$ 1,911,647	-$ 656,000
Base Revenue Requirement	**$ 25,795,347**	**$ 25,511,593**	**$ 26,052,258**	**$ 26,251,774**	**$ 25,852,225**	**$ 28,878,423**	**$ 35,112,551**

Section 6.3.2 summarizes the drivers of the increase in API's revenue requirement between 2020 Board Approved and 2025 Test Year with respect to each of the above line items, with references to sections of the Application where supporting evidence can be found.

As outlined in the section below, API notes that the variances in Revenue Offsets in 2023 and 2024 are related to ACM project accounting and not expected to continue into the Test Year.

Detailed year-over year variance analysis and/or cost driver analysis for certain line items can be also found in the following sections of the Application:

- OM&A Expenses – Sections 4.1, 4.2 and 4.3 of Exhibit 4
- Regulated Return on Capital – Section 5.2.2 of Exhibit 5
- Revenue Offsets – Section 6.7.2 of this Exhibit.
- Rate Base – Section 2.1, 2.2, 2.3 of Exhibit 2

6.3 REVENUE DEFICIENCY OR SURPLUS

6.3.1 CALCULATION OF REVENUE DEFICIENCY OR SURPLUS

API's net revenue deficiency at current approved rates is $3,193,707. This deficiency is calculated as the difference between the 2025 Test Year Revenue Requirement and the forecast Test Year revenue at API's 2024 approved/equivalent distribution rates. As summarized in Section 6.2.1, API has proposed 2025 rates and RRRP funding that will reduce this revenue deficiency to $0.

The detailed calculation of the 2025 revenue deficiency is provided in Table 9 on the following page, which is consistent with Sheet 8 of the RRWF. The drivers of the change in revenue requirement between 2020 Board approved and 2025 Test Year that result in a 2025 revenue deficiency are described in Section 6.3.2.

Table 9 - Revenue Deficiency (RRWF)

	At Current Approved Rates	At Proposed Rates
Revenue Deficiency from Below		$ 3,193,707
Distribution Revenue	$ 31,918,843	$ 31,918,843
Other Operating Revenue Offsets - net	$ 656,000	$ 656,000
Total Revenue	$ 32,574,843	$ 35,768,551
Operating Expenses	$ 22,254,796	$ 22,254,796
Deemed Interest Expense	$ 6,005,731	$ 6,005,731
Total Cost and Expenses	$ 28,260,527	$ 28,260,527
Utility Income Before Income Taxes	$ 4,314,316	$ 7,508,024
Tax Adjustmnets to Accounting	-$ 3,892,922	-$ 3,892,922
Income per PILs Model		
Taxable Income	$ 421,394	$ 3,615,102
Income Tax Rate	26.50%	26.50%
Income Tax on Taxable Income	$ 111,670	$ 958,002
Income Tax Credits	$ -	$ -
Utility Net Income	$ 4,202,647	$ 6,550,022
Utility Rate Base	$ 177,833,127	$ 177,796,465
Deemed Equity Portion of Rate Base	$ 71,133,251	$ 71,118,586
Income/(Equity Portion of Rate Base)	5.91%	9.21%
Target Return - Equity on Rate Base	9.21%	9.21%
Deficiency/Sufficiency in Return on Equity	-3.30%	0.00%
Indicated Rate of Return	5.74%	7.06%
Requested Rate of Return on Rate Base	7.06%	7.06%
Deficiency/Sufficency in Rate of Return	-1.32%	0.00%
Target Return on Equity	$ 6,550,022	$ 6,550,022
Revenue Deficiency/(Sufficiency)	$ 2,347,375	$ -
Gross Revenue Deficiency/(Sufficiency)	$ 3,193,707	

6.3.2 CAUSES OF REVENUE DEFICIENCY OR SURPLUS

Table 10, at the end of this section, shows that API is seeking approval for an increase to its base revenue requirement of $9,317,204 (36%) compared to the 2020 Board Approved amount, and provides references to where detailed evidence in this and other Exhibits can be found in support of each factor contributing to the change in revenue requirement.

The primary drivers of the change in revenue requirement are an increase in return on rate base and depreciation expense, an increase in OM&A. Increases in property tax and PILS (Income Tax) contribute to a lesser degree. Each of these contributing factors is summarized below.

Increase in Rate Base

The 2025 return on rate base is forecasted to increase by $4,371,655 (53%) compared to 2020 Board Approved. This is primarily the result of an increase in rate base, as well as an increased in the weighted average cost of capital. Between 2020 and 2025, API's average net fixed assets have increased by $57.1M, as a result of API's completion of its regular capital programs, as well as several one-time projects (the majority of which were previously identified in API's 2020 DSP), which are further discussed in Exhibit 2 and API's DSP. Explanations of variances between the 2020-2024 DSP and actual/forecast 2020-2024 capital expenditures are provided in the 2025-2029 DSP submitted with this Application.

Increase in OM&A Expenses

2025 OM&A expenses are forecasted to increase by $2.6M (19%) compared to 2020 Board Approved. OEB Appendix 2-JB, included in Section 4.2.1 of Exhibit 4 identifies 19 distinct cost drivers between 2020 approved and 2025 forecasted OM&A expenses. Section 4.2.2 provides explanations for each of these cost drivers.

Increase in Other Revenue

2025 other revenue offsets are forecasted to increase by $167k (34%) compared to 2020 Board Approved. The revenue offset trending has been further detailed in section 6.7.2 below.

Increase in Depreciation Expense

2025 depreciation expense is forecasted to increase by $1.6M (41%) compared to 2020 Board Approved. This increase is a result of an increase in fixed assets, as described in the above explanation related to the increase in rate base.

Increase in Income Tax

2025 income taxes are forecasted to increase by $700k (270%) compared to 2020 Board Approved. Section 6.4 below details the changes in income tax, which can be attributed to the proposed increase in net income, as well as the phase-out of the Accelerated CCA program.

1 **Table 10 – Differences in Revenue Requirement from 2020 Cost of Service**

Driver	2020 Board Appr	2025 Test Year	Difference	% Differenc	Reference
Long Term Debt Rate	5.81%	5.59%	-0.22%	-3.8%	5.2.2
Short Term Debt Rate	1.76%	6.23%	4.47%	254.0%	5.2.2
Weighted Average Debt Rate	5.54%	5.63%	0.09%	1.6%	5.2.2
Rate of Return on Equity	8.78%	9.21%	0.43%	4.9%	5.2.2
Regulated Rate of Return on Rate Base	**6.84%**	**7.06%**	**0.23%**	**3.3%**	5.2.2
Controllable Expenses	$ 13,806,882	$ 16,579,014	$ 2,772,132	20.1%	4.1
Power Supply Expense	$ 23,416,069	$ 32,534,015	$ 9,117,946	38.9%	2.4.3
Working Capital Base	**$ 37,222,951**	**$ 49,113,029**	**$ 11,890,078**	**31.9%**	**2.4**
Working Capital Allowance Rate	7.50%	7.50%	0.00%	0.0%	2.4.1
Working Capital Allowance ("WCA")	**$ 2,791,721**	**$ 3,683,477**	**$ 891,756**	**31.9%**	**2.4**
Net Fixed Assets Opening Test Year	$ 114,801,408	$ 172,167,954	$ 57,366,546	50.0%	2.3
Net Fixed Assets Closing Test Year	$ 119,056,280	$ 176,058,022	$ 57,001,742	47.9%	2.3
Average Net Fixed Assets	$ 116,928,844	$ 174,112,988	$ 57,184,144	48.9%	2.1/2.3
Working Capital Allowance	$ 2,791,721	$ 3,683,477	$ 891,756	31.9%	2.4
Rate Base	**$ 119,720,565**	**$ 177,796,465**	**$ 58,075,900**	**48.5%**	**2.1**
Deemed Interest Expense	$ 3,979,512	$ 6,005,731	$ 2,026,220	50.9%	5.2.2
Target Return on Deemed Equity	$ 4,204,586	$ 6,550,022	$ 2,345,436	55.8%	5.2.2
Regulated Return on Rate Base	**$ 8,184,098**	**$ 12,555,753**	**$ 4,371,655**	**53.4%**	**5.2.2**
Regulated Return on Rate Base	$ 8,184,098	$ 12,555,753	$ 4,371,655	53.4%	5.2.2
OM&A	$ 13,687,754	$ 16,319,014	$ 2,631,260	19.2%	4.1
Property Taxes	$ 118,600	$ 260,000	$ 141,400	119.2%	6.5
Depreciation Expense	$ 4,034,602	$ 5,675,782	$ 1,641,180	40.7%	2.3.2
Income Taxes	$ 259,084	$ 958,002	$ 698,918	269.8%	6.4
Service Revenue Requirement	**$ 26,284,138**	**$ 35,768,551**	**$ 9,484,413**	**36.1%**	**6.3.2**
Revenue Offset	-$ 488,791	-$ 656,000	-$ 167,209	34.2%	6.7.2
Base Revenue Requirement	**$ 25,795,347**	**$ 35,112,551**	**$ 9,317,204**	**36.1%**	**6.3.2**

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6.3.3 IMPACT OF CHANGE IN ACCOUNTING STANDARDS OR POLICIES

API has reported under the Accounting Standards for Private Enterprises accounting standard since January 1, 2011. Previous to January 1, 2011, API reported in accordance with the Canadian Generally Accepted Accounting Principles accounting standard. API confirms that it made the required changes to its capitalization policies and depreciation rates in 2013. These changes were reflected and approved within API’s Cost of Service proceeding, EB-2014-0055, and values presented within this application have also been reported using this methodology. As such, there are no changes to accounting standards that impact the change in revenue requirement.

6.4 TAXES & PAYMENTS IN LIEU OF TAXES (PILS)

6.4.1 OVERVIEW OF PILS

API is required to make payments in lieu of income taxes ("taxes") based on its taxable income. API files Federal/Provincial tax returns annually. See Attachment 6B of this Exhibit for the completed PILs model as well as Table 11 below for a summary of the tax provision for 2025 Test. The income tax rates and capital cost allowance rates used to calculate the taxes on API's income tax returns are the same rates that have been proposed for the Test Year.

Table 11 - Tax Provision for 2025 Test Year

	2025 Test Year
Utility net income before taxes	$ 6,550,022
Adjustments required to arrive at taxable income	-3,892,922
Taxable income	2,657,100
PILs	704,131
Grossed-up PILs	$ 958,002
Effective Federal Tax Rate	15.0%
Effective Ontario Tax Rate	11.5%

There were no adjustments (e.g., Tax credits, CCA adjustments) for the Historical, Bridge and Test Years and as such, no supporting schedules and calculations and explanations for "other additions" and "other deductions" were required.

API is not claiming tax credits such as Apprenticeship Training Tax Credits or education tax credits.

API has drafted its 2023 tax return to be filed and is presented as Attachment 6C of this Exhibit.

API confirms all PILS model integrity checks are complete.

6.4.2 ACCLERATED CCA

On June 21, 2019, Bill C-97, the Budget Implementation Act, 2019, No. 1, was given Royal Assent. Included in Bill C-97 are various changes to the federal income tax regime. One of the changes introduced by Bill C-97 is the Accelerated Investment Incentive program, which provides for a first-year increase in CCA deductions on eligible capital assets acquired after November 20, 2018.

In accordance with the OEB's July 25, 2019 accounting direction, API recorded the impact of CCA rules changes in an Account 1592 sub-account, for the period November 21, 2018 until the effective date of API's last cost-based rate order (i.e. January 1, 2020). API has requested disposal of the 1592 sub-account balance in Exhibit 9 of this Application related to those historical years. API has assumed that 100% of the calculated amount is to be returned to the rate payer. The table below shows a summary of the accumulation in OEB 1592.

Table 12 – Enhanced CCA Variance Accumulation in OEB 1592

		2018	2019
	Line	Actuals	Actuals
Dist Enhanced CCA per Sch 8 Tax Return	1	6,912,749	7,552,509
Dist Non-Enhanced CCA	2	6,826,267	6,890,282
Diff Between Non-Enhanced and Enhanced CCA	3 = 2-1	86,482	662,226
PILs Difference	4 = 3x26.5%	22,918	175,490
Grossed-up PILs Difference	5 = 4/(1-26.5%)	31,180	238,762
Per OEB 1592 DVA Principal Amount	6	-	269,942
Cumulative OEB 1592 DVA Principal Amount	7	-	269,942
Difference PILs per CCA Calcs and OEB 1592	8 = 5-6	31,180	(31,180)
Cumulative Difference PILs per CCA Calcs and OEB 1592	9	31,180	0

API has noted that a taxable loss was triggered primarily as a result of enhanced CCA in 2023 as shown in the PILS model; however that loss is being carried back and will be applied to 2022 taxable income. 2024 Bridge and 2025 Test Years both show positive taxable income.

API's 2020 Test Year final approved PILs amount was calculated without a smoothing adjustment included in it. As such, API is expecting to accumulate a variance in 1592 in 2024 as the Accelerated Investment Incentive Program begins its phase out period whereby the deduction of up to three times the normal first-year CCA deduction is being reduced to two times the normal first-year CCA deduction.

For API's 2025 Test Year PILS calculation, the 2025 CCA deduction taken has assumed the two times the normal first-year CCA deduction which is in accordance with the rate in effect for the Test Year per Bill C-97 above. Given that the enhanced CCA will further change during the rate-setting term (i.e. the full removal of enhanced CCA deduction starting in 2028), API is proposing that, in an effort to smooth the impact of the change in these rates, an adjustment has been made to the 2025 Test Year PILS amount equal to 1/5 of the grossed up PILs impact of the calculated CCA differences for the years 2028 to 2029 under the current enhanced CCA rates in effect for 2025, and the elimination of enhanced CCA rates that will be in effect for those same years. API has calculated the estimate based on the 5 year capital program provided in Exhibit 2 of this Application, and a summary of the estimated impact for the years is noted in Table 13 below:

Table 13 – Smoothing Adjustment to 2025 Test Year re: Enhanced CCA

	2028	2029	Cumulative Total
	Forecast	Forecast	Forecast
Planned Capital	9,965,000	10,631,000	20,596,000
CCA Using 2025 Test Year Rates	1,230,040	2,123,716	3,353,756
CCA Using Rates per Bill C-97	615,020	1,676,878	2,291,898
CCA Difference	615,020	446,838	1,061,858
Take 1/5 of Difference			212,000

API has reflected the $212,000 as an adjustment (increase to taxable income) in the PILs model for 2025 Test Year. By making the above adjustment to Test Year PILS, API also proposes to discontinue accumulating additional variances into the 1592 sub-account, starting the effective date of the Decision and Order of this Application, unless there are further changes to tax policy that the OEB determines should be captured through the use of 1592.

API has also calculated PILS amounts related to the two ACM projects discussed within this Application. See Exhibit 9 for amounts accumulated in 1592 sub-accounts related to these balances.

6.5 OTHER TAXES

The only other taxes than the PILs presented in this Exhibit incurred by API are property taxes, which show increases starting in 2023 due to property taxes being paid on the new facility in Sault Ste. Marie.

Table 14 – Property Taxes (OEB 6105)

Year		Property Taxes
2020	Board Approved	118,600
2020	Actual	120,695
2021	Actual	146,380
2022	Actual	141,693
2023	Actual	243,806
2024	Bridge	350,000
2025	Test	260,000

6.6 NON- RECOVERABLE AND DISALLOWED EXPENSES

API confirms that expenses that are deemed non-recoverable in the revenue requirement (e.g. individual charitable donations) have been appropriately excluded from the regulatory tax calculation.

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 API's proposed Service Revenue Requirement to determine a Base Revenue Requirement for rate setting. Further details on the derivation of the Revenue Requirement is presented within this Exhibit 6.

Other Distribution Revenues includes items such as:

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

OEB APPENDIX 2-H OTHER OPERATING REVENUES

A detailed breakdown by USoA account is shown in Table 15 presented on the next page. Year over year variance analysis follows in Section 6.7.2.

API confirms that revenues from microFIT monthly service charges are recorded in Account 4235, and are not included in base revenue requirement.

Table 15 – OEB Appendix 2-H[2]

Appendix 2-H
Other Operating Revenue

USoA #	USoA Description	2020 Actual²	2021 Actual²	2022 Actual²	2023 Actual	Bridge Year	Test Year
		2020	2021	2022	2023	2024	2025
	Reporting Basis	ASPE	ASPE	ASPE	ASPE	ASPE	ASPE
4082	Retail Services Revenues	-$ 8,763	-$ 8,682	-$ 9,413	-$ 8,953	-$ 9,200	-$ 9,000
4084	Service Transaction Requests (STR) Revenues	-$ 103	-$ 80	-$ 46	-$ 58	$ -	-$ 100
4086	SSS Administration Revenue	-$ 36,278	-$ 36,611	-$ 36,579	-$ 36,857	-$ 36,567	-$ 36,900
4090	Electric Services Incidental to Energy Sales	$ -	$ -	$ -	$ -	$ -	$ -
4205	Interdepartmental Rents	$ -	$ -	$ -	$ -	$ -	$ -
4210	Rent from Electric Property	-$ 475,950	-$ 483,070	-$ 507,973	-$ 495,016	-$ 508,000	-$ 444,000
4215	Other Utility Operating Income	$ -	$ -	$ -	$ -	$ -	$ -
4220	Other Electric Revenues	-$ 7,744	$ 290	-$ 75,962	-$ 1,027,240	-$ 1,259,400	-$ 9,000
4225	Late Payment Charges	-$ 22,104	-$ 40,990	-$ 39,298	-$ 45,447	-$ 39,300	-$ 40,000
4230	Sales of Water and Water Power	$ -	$ -	$ -	$ -	$ -	$ -
4235	Miscellaneous Service Revenues	-$ 86,849	-$ 101,078	-$ 90,161	-$ 81,099	-$ 92,180	-$ 90,000
4240	Provision for Rate Refunds	$ -	$ -	$ -	$ -	$ -	$ -
4245	Government and Other Assistance Directly Credited to Inc	$ -	$ -	$ -	$ -	$ -	$ -
4305	Regulatory Debits	$ 123,552	$ 123,552	$ 123,552	$ 312,240	$ 80,000	$ -
4310	Regulatory Credits	$ -	$ -	$ -	$ -	$ -	$ -
4315	Revenues from Electric Plant Leased to Others	$ -	$ -	$ -	$ -	$ -	$ -
4320	Expenses of Electric Plant Leased to Others	$ -	$ -	$ -	$ -	$ -	$ -
4325	Revenues from Merchandise	-$ 36,994	-$ 58,649	-$ 105,606	-$ 573,028	-$ 74,000	-$ 74,000
4330	Costs and Expenses of Merchandising	$ 36,269	$ 55,605	$ 102,603	$ 568,487	$ 72,000	$ 72,000
4335	Profits and Losses from Financial Instrument Hedges	$ -	$ -	$ -	$ -	$ -	$ -
4340	Profits and Losses from Financial Instrument Investments	$ -	$ -	$ -	$ -	$ -	$ -
4345	Gains from Disposition of Future Use Utility Plant	$ -	$ -	$ -	$ -	$ -	$ -
4350	Losses from Disposition of Future Use Utility Plant	$ -	$ -	$ -	$ -	$ -	$ -
4355	Gain on Disposition of Utility and Other Property	$ -	$ -	$ -	$ -	$ -	$ -
4357	Gain from Retirement of Utility and Other Property	$ -	$ -	$ -	$ -	$ -	$ -
4360	Loss on Disposition of Utility and Other Property	$ 94,774	-$ 52,237	$ 31,560	-$ 172	$ 25,000	$ 25,000
4362	Loss from Retirement of Utility and Other Property	$ -	$ -	$ -	$ -	$ -	$ -
4365	Gains from Disposition of Allowances for Emission	$ -	$ -	$ -	$ -	$ -	$ -
4370	Losses from Disposition of Allowances for Emission	$ -	$ -	$ -	$ -	$ -	$ -
4375	Revenues from Non Rate-Regulated Utility Operations	$ -	$ -	$ -	$ -	$ -	$ -
4380	Expenses of Non Rate-Regulated Utility Operations	$ -	$ -	$ -	$ -	$ -	$ -
4385	Non Rate-Regulated Utility Rental Income	$ -	$ -	$ -	$ -	$ -	$ -
4390	Miscellaneous Non-Operating Income	$ -	$ -	$ -	$ -	$ -	$ -
4395	Rate-Payer Benefit Including Interest	$ -	$ -	$ -	$ -	$ -	$ -
4398	Foreign Exchange Gains and Losses, Including Amortizatio	$ 552	$ 117	-$ 616	$ 332	$ -	$ -
4405	Interest and Dividend Income	-$ 24,404	-$ 17,694	-$ 98,072	-$ 193,187	-$ 70,000	-$ 50,000
4410	Lessor's Net Investment in Finance Lease	$ -	$ -	$ -	$ -	$ -	$ -
4415	Equity in Earnings of Subsidiary Companies	$ -	$ -	$ -	$ -	$ -	$ -
4420	Share of Profit or Loss of Joint Venture	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous Service Revenues		-$ 86,849	-$ 101,078	-$ 90,161	-$ 81,099	-$ 92,180	-$ 90,000
Late Payment Charges		-$ 22,104	-$ 40,990	-$ 39,298	-$ 45,447	-$ 39,300	-$ 40,000
Other Operating Revenues		-$ 528,837	-$ 528,153	-$ 629,972	-$ 1,568,123	-$ 1,813,167	-$ 499,000
Other Income or Deductions		$ 193,750	$ 50,694	$ 53,421	$ 114,672	$ 33,000	-$ 27,000
Total		-$ 444,041	-$ 619,526	-$ 706,011	-$ 1,579,997	-$ 1,911,647	-$ 656,000

[2] The account breakdown details for accounts 4082-4405 are included in the Chapter 2 filing requirements submitted as part of this Application.

6.7.2 OTHER REVENUE VARIANCE ANALYSIS

Tables 16 to 20 below present year over year variances of other operating revenues[3]:

Table 16 - Variance Analysis of Other Operating Revenues

2020 – 2021

Appendix 2-H
Other Operating Revenue

USoA #	USoA Description	2020 Actual²	2021 Actual²	Variance
		2020	2021	2021 vs 2020
	Reporting Basis	ASPE	ASPE	
4082	Retail Services Revenues	-$ 8,763	-$ 8,682	$ 81
4084	Service Transaction Requests (STR) Revenues	-$ 103	-$ 80	$ 23
4086	SSS Administration Revenue	-$ 36,278	-$ 36,611	-$ 333
4210	Rent from Electric Property	-$ 475,950	-$ 483,070	-$ 7,120
4220	Other Electric Revenues	-$ 7,744	$ 290	$ 8,034
4225	Late Payment Charges	-$ 22,104	-$ 40,990	-$ 18,886
4235	Miscellaneous Service Revenues	-$ 86,849	-$ 101,078	-$ 14,229
4305	Regulatory Debits	$ 123,552	$ 123,552	$ -
4325	Revenues from Merchandise	-$ 36,994	-$ 58,649	-$ 21,655
4330	Costs and Expenses of Merchandising	$ 36,269	$ 55,605	$ 19,336
4360	Loss on Disposition of Utility and Other Property	$ 94,774	-$ 52,237	-$ 147,011
4398	Foreign Exchange Gains and Losses, Including Amortization	$ 552	$ 117	-$ 435
4405	Interest and Dividend Income	-$ 24,404	-$ 17,694	$ 6,709
Miscellaneous Service Revenues		-$ 86,849	-$ 101,078	-$ 14,229
Late Payment Charges		-$ 22,104	-$ 40,990	-$ 18,886
Other Operating Revenues		-$ 528,837	-$ 528,153	$ 684
Other Income or Deductions		$ 193,750	$ 50,694	-$ 143,056
Total		-$ 444,041	-$ 619,526	-$ 175,486

2020 Actual to 2021 Actual

No variances that exceeded materiality threshold.

[3] Accounts with nil balances are omitted from these tables.

Table 15 - Variance Analysis of Other Operating Revenues

2021 – 2022

Appendix 2-H
Other Operating Revenue

USoA #	USoA Description	2021 Actual[2]	2022 Actual[2]	Variance
		2021	2022	2022 vs 2021
	Reporting Basis	ASPE	ASPE	
4082	Retail Services Revenues	-$ 8,682	-$ 9,413	-$ 731
4084	Service Transaction Requests (STR) Revenues	-$ 80	-$ 46	$ 35
4086	SSS Administration Revenue	-$ 36,611	-$ 36,579	$ 33
4210	Rent from Electric Property	-$ 483,070	-$ 507,973	-$ 24,903
4220	Other Electric Revenues	$ 290	-$ 75,962	-$ 76,252
4225	Late Payment Charges	-$ 40,990	-$ 39,298	$ 1,692
4235	Miscellaneous Service Revenues	-$ 101,078	-$ 90,161	$ 10,917
4305	Regulatory Debits	$ 123,552	$ 123,552	$ -
4325	Revenues from Merchandise	-$ 58,649	-$ 105,606	-$ 46,957
4330	Costs and Expenses of Merchandising	$ 55,605	$ 102,603	$ 46,998
4360	Loss on Disposition of Utility and Other Property	-$ 52,237	$ 31,560	$ 83,797
4398	Foreign Exchange Gains and Losses, Including Amortization	$ 117	-$ 616	-$ 734
4405	Interest and Dividend Income	-$ 17,694	-$ 98,072	-$ 80,378
Miscellaneous Service Revenues		-$ 101,078	-$ 90,161	$ 10,917
Late Payment Charges		-$ 40,990	-$ 39,298	$ 1,692
Other Operating Revenues		-$ 528,153	-$ 629,972	-$ 101,819
Other Income or Deductions		$ 50,694	$ 53,421	$ 2,727
Total		-$ 619,526	-$ 706,011	-$ 86,484

2021 Actual to 2022 Actual

No variances that exceeded materiality threshold.

Table 16 - Variance Analysis of Other Operating Revenues

2022 – 2023

Appendix 2-H
Other Operating Revenue

USoA #	USoA Description	2022 Actual[2]	2023 Actual	Variance
		2022	2023	2023 vs 2022
	Reporting Basis	ASPE	ASPE	
4082	Retail Services Revenues	-$ 9,413	-$ 8,953	$ 460
4084	Service Transaction Requests (STR) Revenues	-$ 46	-$ 58	-$ 13
4086	SSS Administration Revenue	-$ 36,579	-$ 36,857	-$ 278
4210	Rent from Electric Property	-$ 507,973	-$ 495,016	$ 12,957
4220	Other Electric Revenues	-$ 75,962	-$ 1,027,240	-$ 951,278
4225	Late Payment Charges	-$ 39,298	-$ 45,447	-$ 6,149
4235	Miscellaneous Service Revenues	-$ 90,161	-$ 81,099	$ 9,062
4305	Regulatory Debits	$ 123,552	$ 312,240	$ 188,688
4325	Revenues from Merchandise	-$ 105,606	-$ 573,028	-$ 467,422
4330	Costs and Expenses of Merchandising	$ 102,603	$ 568,487	$ 465,884
4360	Loss on Disposition of Utility and Other Property	$ 31,560	-$ 172	-$ 31,732
4398	Foreign Exchange Gains and Losses, Including Amortization	-$ 616	$ 332	$ 948
4405	Interest and Dividend Income	-$ 98,072	-$ 193,187	-$ 95,115
Miscellaneous Service Revenues		-$ 90,161	-$ 81,099	$ 9,062
Late Payment Charges		-$ 39,298	-$ 45,447	-$ 6,149
Other Operating Revenues		-$ 629,972	-$ 1,568,123	-$ 938,152
Other Income or Deductions		$ 53,421	$ 114,672	$ 61,252
Total		-$ 706,011	-$ 1,579,997	-$ 873,987

2022 Actual to 2023 Actual

OEB 4220 has a balance in 2023 of $1,009,072 (2022 $64,796) related to a combination of the return on rate base and grossed-up PILS for the two ACM projects, based on the number of months the assets were in service in 2023 (12 months for the Sault building, 5 months for the Echo River substation project). The offset amount has been recorded under OEB 1110. The rate base and grossed up PILS basis recorded was based on the original assumptions and estimates reported in the previous IRM proceedings. ACM project true-ups have been proposed in Exhibit 9.

OEB 4305 increased primarily related to $188,688 (2022 $Nil as the catch-up for 2022 was recorded in 2023) in PILS amount recorded with offset to OEB 1592 for the two ACM projects. See Exhibit 9 for further details.

OEB 4325 and OEB 4330 increases are mostly offsetting. The increase in the respective accounts in 2023 related to approximately $507,000 in billables in 4325 (with equal offsetting costs in 4330) charged for the #4 Circuit 10 MW project for costs that were incurred that were not related to the capital project.

Table 19 - Variance Analysis of Other Operating Revenues

2023 – 2024

Appendix 2-H
Other Operating Revenue

USoA #	USoA Description	2023 Actual	Bridge Year	Variance
		2023	2024	2024 vs 2023
	Reporting Basis	ASPE	ASPE	
4082	Retail Services Revenues	-$ 8,953	-$ 9,200	-$ 247
4084	Service Transaction Requests (STR) Revenues	-$ 58	$ -	$ 58
4086	SSS Administration Revenue	-$ 36,857	-$ 36,567	$ 290
4210	Rent from Electric Property	-$ 495,016	-$ 508,000	-$ 12,984
4220	Other Electric Revenues	-$ 1,027,240	-$ 1,259,400	-$ 232,160
4225	Late Payment Charges	-$ 45,447	-$ 39,300	$ 6,147
4235	Miscellaneous Service Revenues	-$ 81,099	-$ 92,180	-$ 11,081
4305	Regulatory Debits	$ 312,240	$ 80,000	-$ 232,240
4325	Revenues from Merchandise	-$ 573,028	-$ 74,000	$ 499,028
4330	Costs and Expenses of Merchandising	$ 568,487	$ 72,000	-$ 496,487
4360	Loss on Disposition of Utility and Other Property	-$ 172	$ 25,000	$ 25,172
4398	Foreign Exchange Gains and Losses, Including Amortization	$ 332	$ -	-$ 332
4405	Interest and Dividend Income	-$ 193,187	-$ 70,000	$ 123,187
Miscellaneous Service Revenues		-$ 81,099	-$ 92,180	-$ 11,081
Late Payment Charges		-$ 45,447	-$ 39,300	$ 6,147
Other Operating Revenues		-$ 1,568,123	-$ 1,813,167	-$ 245,044
Other Income or Deductions		$ 114,672	$ 33,000	-$ 81,672
Total		-$ 1,579,997	-$ 1,911,647	-$ 331,649

2023 Actual to 2024 Bridge

OEB 4220 has a balance in 2024 of $1,234,000 (2023 $1,009,792) related to a combination of the return on rate base and grossed-up PILS for the two ACM projects, based on months in service in 2023 (12 months for both the Sault building and the Echo River substation project).

OEB 4305 includes a credit balance in 2024 of $44,000 (2023 debit balance of $188,688) related to PILS amount recorded with offset to OEB 1592 for the two ACM projects.

OEB 4325 and 4330 are showing a normalized trending of billable order revenues net of costs.

Table 20 - Variance Analysis of Other Operating Revenues

2024 – 2025

Appendix 2-H Other Operating Revenue				
USoA #	USoA Description	Bridge Year 2024	Test Year 2025	Variance 2025 vs 2024
	Reporting Basis	ASPE	ASPE	
4082	Retail Services Revenues	-$ 9,200	-$ 9,000	$ 200
4084	Service Transaction Requests (STR) Revenues	$ -	-$ 100	-$ 100
4086	SSS Administration Revenue	-$ 36,567	-$ 36,900	-$ 333
4210	Rent from Electric Property	-$ 508,000	-$ 444,000	$ 64,000
4220	Other Electric Revenues	-$ 1,259,400	-$ 9,000	$ 1,250,400
4225	Late Payment Charges	-$ 39,300	-$ 40,000	-$ 700
4235	Miscellaneous Service Revenues	-$ 92,180	-$ 90,000	$ 2,180
4305	Regulatory Debits	$ 80,000	$ -	-$ 80,000
4325	Revenues from Merchandise	-$ 74,000	-$ 74,000	$ -
4330	Costs and Expenses of Merchandising	$ 72,000	$ 72,000	$ -
4360	Loss on Disposition of Utility and Other Property	$ 25,000	$ 25,000	$ -
4398	Foreign Exchange Gains and Losses, Including Amortization	$ -	$ -	$ -
4405	Interest and Dividend Income	-$ 70,000	-$ 50,000	$ 20,000
Miscellaneous Service Revenues		-$ 92,180	-$ 90,000	$ 2,180
Late Payment Charges		-$ 39,300	-$ 40,000	-$ 700
Other Operating Revenues		-$ 1,813,167	-$ 499,000	$ 1,314,167
Other Income or Deductions		$ 33,000	-$ 27,000	-$ 60,000
Total		-$ 1,911,647	-$ 656,000	$ 1,255,647

2024 Bridge to 2025 Test

OEB 4220 is showing a more normalized trending of other revenues based on historical averages, excluding ACM project revenues as ACM projects are expected to be in rate base in 2025 and will form part of API's overall revenue requirement.

6.7.3 PROPOSED SPECIFIC SERVICE CHARGES

API is not proposing any changes to the current specific services charges service charge. There are therefore no customer classes or discrete customer groups that may be materially impacted by changes to other rates and charges.

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

Shared services are provided to API from its affiliates, as described in Section 4.5 of Exhibit 4, and all amounts are recorded in API's OM&A accounts; no amounts are recorded in Account 4375 or 4380. API confirms that costs included in its OM&A are excluded from the balances incorporated into Other Operating Revenue and vice versa. Cost allocation and pricing methodologies are designed to reflect appropriate allocations between corporate entities, avoiding cross subsidization.

ATTACHMENTS

Attachment 6A	Revenue Requirement Work Form
Attachment 6B	PILs Work Form
Attachment 6C	2023 Corporate Tax Return

Attachment 6A

Revenue Requirement Work Form

Algoma Power Inc.
EB-2024-0007

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Version 1.10

Utility Name	Algoma Power Inc.
Service Territory	
Assigned EB Number	EB-2024-0007
Name and Title	Oana Stefan, Manager, Regulatory Affairs
Phone Number	
Email Address	
Test Year	2025
Bridge Year	2024
Last Rebasing Year	2020

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

Commencing with 2023 rate applications, the RRWF has been enhanced with an additional column, so that two stages of processing of an application (e.g. interrogatory responses and settlement agreement) between the initial application filing and the OEB decision and draft rate order ("Per Board Decision") can be used. Functionality of the RRWF is the same as in previous versions of the RRWF. (May 2022)

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Table of Contents

Notes:

(1)	Pale green cells represent inputs
(2)	Pale green boxes at the bottom of each page are for additional notes
(3)	Pale blue cells represent drop-down lists
(4)	***Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.***
(5)	***Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.***

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Data Input Sheet [1]

		Initial Application [2]	Adjustments	Interrogatory Responses [6]	Adjustments	Settlement Agreement [6]	Adjustments	Per Board Decision
1	**Rate Base**							
	Gross Fixed Assets (average)	$ 272,738,705	$ -	$ 272,738,705		$ 272,738,705		$ 272,738,705
	Accumulated Depreciation (average)	($98,625,717) [5]	$ -	$ (98,625,717)		$ (98,625,717)		$ (98,625,717)
	Allowance for Working Capital:							
	Controllable Expenses	$16,579,014	$ -	$ 16,579,014		$ 16,579,014		$ 16,579,014
	Cost of Power	$32,534,015	$ -	$ 32,534,015		$ 32,534,015		$ 32,534,015
	Working Capital Rate (%)	7.50% [9]		[9]		[9]		[9]
2	**Utility Income**							
	Operating Revenues:							
	Distribution Revenue at Current Rates	$31,918,843						
	Distribution Revenue at Proposed Rates	$35,112,551						
	Other Revenue:							
	Specific Service Charges	$90,000						
	Late Payment Charges	$40,000						
	Other Distribution Revenue	$499,000						
	Other Income and Deductions	$27,000						
	Total Revenue Offsets	$656,000 [7]						
	Operating Expenses:							
	OM+A Expenses	$16,319,014	$ -	$ 16,319,014		$16,319,014		$ 16,319,014
	Depreciation/Amortization	$5,675,782	$ -	$ 5,675,782		$5,675,782		$ 5,675,782
	Property taxes	$260,000	$ -	$ 260,000		$260,000		$ 260,000
	Other expenses		$ -					
3	**Taxes/PILs**							
	Taxable Income:							
	Adjustments required to arrive at taxable income	($3,892,922) [3]						
	Utility Income Taxes and Rates:							
	Income taxes (not grossed up)	$704,131						
	Income taxes (grossed up)	$958,002						
	Federal tax (%)	15.00%						
	Provincial tax (%)	11.50%						
	Income Tax Credits							
4	**Capitalization/Cost of Capital**							
	Capital Structure:							
	Long-term debt Capitalization Ratio (%)	56.0%						
	Short-term debt Capitalization Ratio (%)	4.0% [8]		[8]		[8]		[8]
	Common Equity Capitalization Ratio (%	40.0%						
	Prefered Shares Capitalization Ratio (%)							
		100.0%						
	Cost of Capital							
	Long-term debt Cost Rate (%)	5.59%						
	Short-term debt Cost Rate (%)	6.23%						
	Common Equity Cost Rate (%)	9.21%						
	Prefered Shares Cost Rate (%)							

Notes:

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

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

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

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

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

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

(6) Select option from drop-down list by clicking on cell M12 or U12. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected. Beginning for 2023,two intermediate stages can be shown (e.g., Interrogatory Responses and Settlement Agreement).

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

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

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(2)	$272,738,705	$ -	$272,738,705	$ -	$272,738,705	$ -	$272,738,705
2	Accumulated Depreciation (average)	(2)	($98,625,717)	$ -	($98,625,717)	$ -	($98,625,717)	$ -	($98,625,717)
3	Net Fixed Assets (average)	(2)	$174,112,988	$ -	$174,112,988	$ -	$174,112,988	$ -	$174,112,988
4	Allowance for Working Capital	(1)	$3,683,477	($3,683,477)	$ -	$ -	$ -	$ -	$ -
5	**Total Rate Base**		$177,796,465	($3,683,477)	$174,112,988	$ -	$174,112,988	$ -	$174,112,988

(1) Allowance for Working Capital - Derivation

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
6	Controllable Expenses		$16,579,014	$ -	$16,579,014	$ -	$16,579,014	$ -	$16,579,014
7	Cost of Power		$32,534,015	$ -	$32,534,015	$ -	$32,534,015	$ -	$32,534,015
8	Working Capital Base		$49,113,029	$ -	$49,113,029	$ -	$49,113,029	$ -	$49,113,029
9	Working Capital Rate %	(1)	7.50%	-7.50%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Working Capital Allowance		$3,683,477	($3,683,477)	$ -	$ -	$ -	$ -	$ -

Notes

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

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Utility Income

Line No.	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:							
1	Distribution Revenue (at Proposed Rates)	$35,112,551	($35,112,551)	$ -	$ -	$ -	$ -	$ -
2	Other Revenue (1)	$656,000	($656,000)	$ -	$ -	$ -	$ -	$ -
3	Total Operating Revenues	$35,768,551	($35,768,551)	$ -	$ -	$ -	$ -	$ -
	Operating Expenses:							
4	OM+A Expenses	$16,319,014	$ -	$16,319,014	$ -	$16,319,014	$ -	$16,319,014
5	Depreciation/Amortization	$5,675,782	$ -	$5,675,782	$ -	$5,675,782	$ -	$5,675,782
6	Property taxes	$260,000	$ -	$260,000	$ -	$260,000	$ -	$260,000
7	Capital taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8	Other expense	$ -	$ -		$ -		$ -	
9	Subtotal (lines 4 to 8)	$22,254,796	$ -	$22,254,796	$ -	$22,254,796	$ -	$22,254,796
10	Deemed Interest Expense	$6,005,731	($6,005,731)	$ -	$ -	$ -	$ -	$ -
11	Total Expenses (lines 9 to 10)	$28,260,527	($6,005,731)	$22,254,796	$ -	$22,254,796	$ -	$22,254,796
12	**Utility income before income taxes**	$7,508,024	($29,762,819)	($22,254,796)	$ -	($22,254,796)	$ -	($22,254,796)
13	Income taxes (grossed-up)	$958,002	$ -	$958,002	$ -	$958,002	$ -	$958,002
14	**Utility net income**	$6,550,022	($29,762,819)	($23,212,798)	$ -	($23,212,798)	$ -	($23,212,798)

Notes

Other Revenues / Revenue Offsets

Note	Item	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
(1)	Specific Service Charges	$90,000		$ -		$ -		$ -
	Late Payment Charges	$40,000		$ -		$ -		$ -
	Other Distribution Revenue	$499,000		$ -		$ -		$ -
	Other Income and Deductions	$27,000		$ -		$ -		$ -
	Total Revenue Offsets	$656,000	$ -	$ -	$ -	$ -	$ -	$ -

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Revenue Requirement Workform (RRWF) for 2025 Filers

Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
	Determination of Taxable Income				
1	Utility net income before taxes	$6,550,022	$ -	$ -	$ -
2	Adjustments required to arrive at taxable utility income	($3,892,922)	$ -	$ -	$ -
3	Taxable income	$2,657,100	$ -	$ -	$ -
	Calculation of Utility income Taxes				
4	Income taxes	$704,131	$704,131	$704,131	$704,131
6	Total taxes	$704,131	$704,131	$704,131	$704,131
7	Gross-up of Income Taxes	$253,871	$253,871	$253,871	$253,871
8	Grossed-up Income Taxes	$958,002	$958,002	$958,002	$958,002
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$958,002	$958,002	$958,002	$958,002
10	Other tax Credits	$ -	$ -	$ -	$ -
	Tax Rates				
11	Federal tax (%)	15.00%	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%	11.50%
13	Total tax rate (%)	26.50%	26.50%	26.50%	26.50%

Notes

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Revenue Requirement Workform (RRWF) for 2025 Filers

Capitalization/Cost of Capital

Initial Application

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Debt				
1	Long-term Debt	56.00%	$99,566,021	5.59%	$5,562,662
2	Short-term Debt	4.00%	$7,111,859	6.23%	$443,069
3	**Total Debt**	60.00%	$106,677,879	5.63%	$6,005,731
	Equity				
4	Common Equity	40.00%	$71,118,586	9.21%	$6,550,022
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$71,118,586	9.21%	$6,550,022
7	**Total**	100.00%	$177,796,465	7.06%	$12,555,753

Interrogatory Responses

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Debt				
1	Long-term Debt	0.00%	$ -	0.00%	$ -
2	Short-term Debt	0.00%	$ -	0.00%	$ -
3	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
4	Common Equity	0.00%	$ -	0.00%	$ -
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	0.00%	$ -	0.00%	$ -
7	**Total**	0.00%	$174,112,988	0.00%	$ -

Settlement Agreement

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Debt				
8	Long-term Debt	0.00%	$ -	5.59%	$ -
9	Short-term Debt	0.00%	$ -	6.23%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	9.21%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$174,112,988	0.00%	$ -

Per Board Decision

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Debt				
8	Long-term Debt	0.00%	$ -	5.59%	$ -
9	Short-term Debt	0.00%	$ -	6.23%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	9.21%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$174,112,988	0.00%	$ -

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application		Interrogatory Responses		Settlement Agreement		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		$3,193,707		($11,067,618)		$30,278,633		$30,278,633
2	Distribution Revenue	$31,918,843	$31,918,843	$31,918,843	$46,180,169	$ -	($30,278,633)	$ -	($30,278,633)
3	Other Operating Revenue Offsets - net	$656,000	$656,000	$ -	$ -	$ -	$ -	$ -	$ -
4	**Total Revenue**	$32,574,843	$35,768,551	$31,918,843	$35,112,551	$ -	$ -	$ -	$ -
5	Operating Expenses	$22,254,796	$22,254,796	$22,254,796	$22,254,796	$22,254,796	$22,254,796	$22,254,796	$22,254,796
6	Deemed Interest Expense	$6,005,731	$6,005,731	$ -	$ -	$ -	$ -	$ -	$ -
8	**Total Cost and Expenses**	$28,260,527	$28,260,527	$22,254,796	$22,254,796	$22,254,796	$22,254,796	$22,254,796	$22,254,796
9	**Utility Income Before Income Taxes**	$4,314,316	$7,508,024	$9,664,048	$12,857,755	($22,254,796)	($22,254,796)	($22,254,796)	($22,254,796)
10	Tax Adjustments to Accounting Income per 2013 PILs model	($3,892,922)	($3,892,922)	($3,892,922)	($3,892,922)	$ -	$ -	$ -	$ -
11	**Taxable Income**	$421,394	$3,615,102	$5,771,126	$8,964,833	($22,254,796)	($22,254,796)	($22,254,796)	($22,254,796)
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	**Income Tax on Taxable Income**	$111,670	$958,002	$1,529,348	$2,375,681	$ -	$ -	$ -	$ -
14	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
15	**Utility Net Income**	$4,202,647	$6,550,022	$8,134,699	($23,212,798)	($22,254,796)	($23,212,798)	($22,254,796)	($23,212,798)
16	**Utility Rate Base**	$177,796,465	$177,796,465	$174,112,988	$174,112,988	$174,112,988	$174,112,988	$174,112,988	$174,112,988
17	Deemed Equity Portion of Rate Base	$71,118,586	$71,118,586	$ -	$ -	$ -	$ -	$ -	$ -
18	Income/(Equity Portion of Rate Base)	5.91%	9.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.21%	9.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-3.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	5.74%	7.06%	4.67%	0.00%	-12.78%	0.00%	-12.78%	0.00%
22	Requested Rate of Return on Rate Base	7.06%	7.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-1.32%	0.00%	4.67%	0.00%	-12.78%	0.00%	-12.78%	0.00%
24	Target Return on Equity	$6,550,022	$6,550,022	$ -	$ -	$ -	$ -	$ -	$ -
25	Revenue Deficiency/(Sufficiency)	$2,347,375	$ -	($8,134,699)	$ -	$22,254,796	$ -	$22,254,796	$ -
26	**Gross Revenue Deficiency/(Sufficiency)**	$3,193,707 (1)		($11,067,618) (1)		$30,278,633 (1)		$30,278,633 (1)	

Notes:

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

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Revenue Requirement Workform (RRWF) for 2025 Filers

Revenue Requirement

Line No.	Particulars	Application		Interrogatory Responses		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	$16,319,014		$16,319,014		$16,319,014		$16,319,014	
2	Amortization/Depreciation	$5,675,782		$5,675,782		$5,675,782		$5,675,782	
3	Property Taxes	$260,000		$260,000		$260,000		$260,000	
5	Income Taxes (Grossed up)	$958,002		$958,002		$958,002		$958,002	
6	Other Expenses	$ -							
7	Return								
	Deemed Interest Expense	$6,005,731		$ -		$ -		$ -	
	Return on Deemed Equity	$6,550,022		$ -		$ -		$ -	
8	**Service Revenue Requirement (before Revenues)**	$35,768,551		$23,212,798		$23,212,798		$23,212,798	
9	Revenue Offsets	$656,000		$ -		$ -		$ -	
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$35,112,551		$23,212,798		$23,212,798		$23,212,798	
11	Distribution revenue	$35,112,551		$ -		$ -		$ -	
12	Other revenue	$656,000		$ -		$ -		$ -	
13	**Total revenue**	$35,768,551		$ -		$ -		$ -	
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ -	(1)	($23,212,798)	(1)	($23,212,798)	(1)	($23,212,798)	(1)

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Interrogatory Responses	Δ% (2)	Settlement Agreement	Δ% (2)	Per Board Decision	Δ% (2)
Service Revenue Requirement	$35,768,551	$23,212,798	###	$23,212,798	#######	$23,212,798	(35.10%)
Grossed-Up Revenue Deficiency/(Sufficiency)	$3,193,707	($11,067,618)	###	$30,278,633	848.07%	$30,278,633	848.07%
Base Revenue Requirement (to be recovered from Distribution Rates)	$35,112,551	$23,212,798	###	$23,212,798	#######	$23,212,798	(33.89%)
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	$3,193,707	$ -	###	$ -	#######	$ -	(100.00%)

Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Load Forecast Summary

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

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

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

Stage in Process: Initial Application

	Customer Class	Initial Application			Interrogatory Responses			Settlement Agreement			Per Board Decision		
	Input the name of each customer class.	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA [1]** Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA [1]** Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA [1]** Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA [1]** Annual
1	Residential	9,674	131,653,365										
2	Residential R2	45	179,389,418	372,457									
3	Seasonal	2,717	5,958,052										
4	Street Light	1,156	548,977	1,533									
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
	Total	**13592.26904**	**317,549,813**	**373,990**		-	-		-	-			

Notes:

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

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Revenue Requirement Workform (RRWF) for 2025 Filers

Cost Allocation and Rate Design

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

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

A) Allocated Costs

	Name of Customer Class (3) From Sheet 10. Load Forecast	Costs Allocated from Previous Study (1)	%	Allocated Class Revenue Requirement (1) (7A)	%
1	Residential	$ 16,904,988	66.27%	$ 21,952,346	61.37%
2	Residential R2	$ 5,043,434	19.77%	$ 8,900,291	24.88%
3	Seasonal	$ 3,391,922	13.30%	$ 4,361,706	12.19%
4	Street Light	$ 169,968	0.67%	$ 554,207	1.55%
	Total	$ 25,510,312	100.00%	**$ 35,768,551**	100.00%
		Service Revenue Requirement (from Sheet 9)		**$ 35,768,550.52**	

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

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

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

B) Calculated Class Revenues

	Name of Customer Class	Load Forecast (LF) X current approved rates	LF X current approved rates X (1+d)	LF X Proposed Rates	Miscellaneous Revenues
		(7B)	(7C)	(7D)	(7E)
1	Residential	$ 21,369,464	$ 23,507,630	$ 23,270,375	$ 423,789
2	Residential R2	$ 7,407,623	$ 8,148,808	$ 8,148,808	$ 128,889
3	Seasonal	$ 2,928,393	$ 3,221,400	$ 3,419,639	$ 89,766
4	Street Light	$ 213,364	$ 234,712	$ 273,728	$ 13,556
	Total	$ 31,918,843	$ 35,112,551	$ 35,112,551	$ 656,000

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

(5) Columns 7C and 7D - Column Total should equal the Base Revenue Requirement for each.
Column 7C - The OEB-issued cost allocation model calculates "1+d" on worksheet O-1, cell C22. "d" is defined as Revenue Deficiency/Revenue at Current Rates.

(6)

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

C) Rebalancing Revenue-to-Cost Ratios

	Name of Customer Class	Previously Approved Ratios Most Recent Year: 2020	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
		%	%	%	%
1	Residential	104.65%	109.02%	107.93%	85 - 115
2	Residential R2	93.54%	93.00%	93.00%	80 - 120
3	Seasonal	85.44%	75.91%	80.46%	85 - 115
4	Street Light	120.00%	44.80%	51.84%	80 - 120

(8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 2020 with further adjustments to move within the range over two years, the Most Recent Year would be 2023. However, the ratios in 2023 would be equal to those after the adjustment in 2022.

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

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

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

	Name of Customer Class	Proposed Revenue-to-Cost Ratio Test Year	Price Cap IR Period 1	2	Policy Range
1	Residential	107.93%	106.85%	106.68%	85 - 115
2	Residential R2	93.00%	93.00%	93.00%	80 - 120
3	Seasonal	80.46%	85.00%	85.00%	85 - 115
4	Street Light	51.84%	58.88%	65.92%	80 - 120

(11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 2025 that is outside of the OEB's policy range for any customer class. Table D will show that the distributor is likely to enter into the 2026 and 2027 Price Cap IR models, as necessary. For 2026 and 2027, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2026 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

New Rate Design Policy For Residential Customers

Please complete the following tables.

A Data Inputs (from Sheet 10. Load Forecast)

Test Year Billing Determinants for Seasonal Class	
Customers	2,717
kWh	5,958,052

Proposed seasonal Class Specific Revenue Requirement[1]	$ 3,419,639.24

Seasonal Base Rates on Current Tariff	
Monthly Fixed Charge ($)	$ 82.79
Distribution Volumetric Rate ($/kWh)	$ 0.0384

B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed	82.79	2,717	$ 2,699,603.92	92.19%
Variable	0.0384	5,958,052	$ 228,789.21	7.81%
TOTAL	-	-	$ 2,928,393.13	-

C Calculating Test Year Base Rates

Maximum Increase per Year Due to Residential Rate Design Policy	$ -

	Test Year Revenue @ Current F/V Split	Test Year Base Rates @ Current F/V Split	Reconciliation - Test Year Base Rates @ Current F/V Split
Fixed	$ 3,152,470.00	96.68	$ 3,152,526.96
Variable	$ 267,169.24	0.0448	$ 266,920.75
TOTAL	$ 3,419,639.24	-	$ 3,419,447.71

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed	92.19%	$ 3,152,526.96	$ 96.68	$ 3,152,526.96
Variable	7.81%	$ 267,112.28	$ 0.0448	$ 266,920.75
TOTAL	-	$ 3,419,639.24	-	$ 3,419,447.71

Checks[3]	
Change in Fixed Rate	$ -
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	($191.54) -0.01%

Notes:

1 The final residential class specific revenue requirement, excluding allocated Miscellaneous Revenues, as shown on Sheet 11. Cost Allocation, should be used (i.e. the revenue requirement after any proposed adjustments to R/C ratios).

2 The distributor should enter the number of years remaining before the transition to fully fixed rates is completed. The change in residential rate design is almost complete and distributors should have either 0 or 1 year remaining. If the distributor has fully transitioned to fixed rates put "0" in cell D40. If the distributor has proposed an additional transition year because the change in the residential rate design will result in the fixed charge increasing by more than $4/year, put "1" in cell D40.

3 Change in fixed rate due to rate design policy should be less than $4. The difference between the proposed class revenue requirement and the revenue at calculated base rates should be minimal (i.e. should be reasonably considered as a rounding error)

RRRP Adjustments Factor for Test Year 3.54%

	Current Approved 2024 Rates		
	Vol. Billing Unit	Monthly	Volumetric
Residential R1(i)	kWh	$ 64.31	$ -
Residential R1(ii)	kWh	$ 28.84	$ 0.0406
Residential R2	kW	$ 742.06	$ 3.8450

	RRRP Adjusted 2025 Rates		
	Vol. Billing Unit	Monthly	Volumetric
Residential R1(i)	kWh	$ 66.59	$ -
Residential R1(ii)	kWh	$ 29.86	$ 0.0420
Residential R2	kW	$ 768.33	$ 3.9811

	2025 Forecasted Billing Units		
	Vol. Billing Unit	Customers	Volume
Residential R1(i)	kWh	8,621	102,025,758
Residential R1(ii)	kWh	1,053	29,627,607
Residential R2	kW	45	372,457
Total		9,719	

	2025 Forecasted Revenue from Rates					
	Vol. Billing Unit	Fixed	Volumetric	Transformer Allowance	Total Revenues	
Residential R1(i)	kWh	$ 6,888,361	$ -	$ -	**$ 6,888,361**	100%
Residential R1(ii)	kWh	$ 377,300	$ 1,245,463	$ -	**$ 1,622,763**	23%
Residential R2	kW	$ 417,256	$ 1,482,795	-$ 198,751	**$ 1,701,300**	22%
Total		$ 7,682,916	$ 2,728,258	-$ 198,751	**$ 10,212,424**	

	Allocated Base Revenue
Residential R1(i) Residential R1(ii)	$ 23,270,375
Residential R2	$ 8,148,808
Total	$ 31,419,183
Total Revenue Requirement from RRRP Classes	$ 31,419,183
Less: Revenue From RRRP Reduced Rates	$ 10,212,424
Proposed 2025 Annual RRRP Funding- 2025 Test Year	**$ 21,206,759**

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Revenue Requirement Workform (RRWF) for 2025 Filers

Rate Design and Revenue Reconciliation

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

Stage in Process: *Initial Application*

	Customer and Load Forecast					Class Allocated Revenues (From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design)			Fixed / Variable Splits [2,3] (Percentage to be entered as a fraction between 0 and 1)			Distribution Rates					Revenue Reconciliation		
	Customer Class (From sheet 10. Load Forecast)	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric	Fixed	Variable	Transformer Ownership Allowance [1] ($)	Monthly Service Charge [2] Rate	Monthly Service Charge [2] No. of decimals	Volumetric Rate [3] Rate		Volumetric Rate [3] No. of decimals	MSC Revenues	Volumetric revenues	Distribution Revenues less Transformer Ownership
1	Residential R1(i)	kWh	8,621	102,025,758	-	$ 6,888,361	$ 6,888,361	$ -	100.00%	0.00%		$66.59	2	$0.0000	/kWh	4	$ 6,888,714.92	$ -	$ 6,888,714.92
	Residential R1(ii)	kWh	1,053	29,627,607	-	$ 1,622,763	$ 377,300	$ 1,245,463	23.25%	76.75%		$29.86	2	$0.0420	/kWh	4	$ 377,288.13	$ 1,244,359.4955	$ 1,621,647.62
2	Residential R2	kW	45	179,389,418	372,457	$ 1,701,300	$ 417,256	$ 1,284,045	24.53%	75.47%	$ 198,751	$768.33		$3.9811	/kW		$ 417,256.53	$ 1,482,790.3199	$ 1,701,296.21
3	Seasonal	kWh	2,717	5,958,052	-	$ 3,419,639	$ 3,152,527	$ 267,112	92.19%	7.81%		$96.68		$0.0448	/kWh		$ 3,152,526.96	$ 266,920.7466	$ 3,419,447.71
4	Street Light	kWh	1,156	548,977	1,533	$ 273,728	$ 37,008	$ 236,720	13.52%	86.48%		$2.67		$0.4312	/kWh		$ 37,036.59	$ 236,718.8696	$ 273,755.46
5	RRRP	kWh	0	0	-	$ 21,206,759	$ 21,206,759	$ -	100.00%	0.00%		$21,206,759.41		$0.0000	/kWh		$ 21,206,759.41	$ -	$ 21,206,759.41
6			-	-	-												$ -	$ -	$ -
7			-	-	-												$ -	$ -	$ -
8			-	-	-												$ -	$ -	$ -
9			-	-	-												$ -	$ -	$ -
10			-	-	-												$ -	$ -	$ -
11			-	-	-												$ -	$ -	$ -
12			-	-	-												$ -	$ -	$ -
13			-	-	-												$ -	$ -	$ -
14			-	-	-												$ -	$ -	$ -
15			-	-	-												$ -	$ -	$ -
16			-	-	-												$ -	$ -	$ -
17			-	-	-												$ -	$ -	$ -
18			-	-	-												$ -	$ -	$ -
19			-	-	-												$ -	$ -	$ -
20			-	-	-												$ -	$ -	$ -
			13,592	317,549,813	373,990	$ 35,112,551													

Total Transformer Ownership Allowance $ 198,751

Total Distribution Revenues	$ 35,111,621.33
Base Revenue Requirement	$ 35,112,550.56
Difference	-$ 929.23
% Difference	-0.003%

Rates recover revenue requirement

Notes:

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

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

[3] The Volumetric rate is calculated as [(allocated volumetric revenue requirement for the class + transformer allowance credit for the class)/(annual estimate of the charge determinant for the test year (either kW or kVA for demand-billed customer classes, or kWh for non-demand-billed classes)]

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2025 Filers

Tracking Form

The first row shown, labelled "Original Application", summarizes key statistics based on the data inputs into the RRWF. After the original application filing, the applicant provides key changes in capital and operating expenses, load forecasts, cost of capital, etc., as revised through the processing of the application. This could be due to revisions or responses to interrogatories. The last row shown is the most current estimate of the cost of service data reflecting the original application and any updates provided by the applicant distributor (for updated evidence, responses to interrogatories, undertakings, etc.)
Please ensure a Reference (Column B) and/or Item Description (Column C) is entered. Please note that unused rows will automatically be hidden and the PRINT AREA set when the PRINT BUTTON on Sheet 1 is activated.
(1) Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)
(2) Short description of change, issue, etc.

Summary of Proposed Changes

		Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
Reference [1]	**Item / Description [2]**	**Regulated Return on Capital**	**Regulated Rate of Return**	**Rate Base**	**Working Capital**	**Working Capital Allowance ($)**	**Amortization / Depreciation**	**Taxes/PILs**	**OM&A**	**Service Revenue Requirement**	**Other Revenues**	**Base Revenue Requirement**	**Grossed up Revenue Deficiency / Sufficiency**
	Original Application	$ 12,555,753	7.06%	$ 177,796,465	$ 49,113,029	$ 3,683,477	$ 5,675,782	$ 958,002	$ 16,319,014	$ 35,768,551	$ 656,000	$ 35,112,551	$ 3,193,707
1													

Attachment 6B

PILs Work Form

Algoma Power Inc.
EB-2024-0007

Ontario Energy Board

Income Tax/PILs Workform for 2024 Filers

Version 1.00

Utility Name	Algoma Power Inc.
Assigned EB Number	EB-2024-0007
Name and Title	Oana Stefan, Manager Regulatory Affairs
Phone Number	905-871-0330 x3271
Email Address	RegulatoryAffairs@FortisOntario.com
Date	31-May-24
Last COS Re-based Year	2019

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

Instructions

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

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

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

Methodology
To calculate the PILs for the Test Year:

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

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

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

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

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

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

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Income Tax/PILs Workform for 2024 Filers

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Income Tax/PILs Workform for 2024 Filers

No inputs required on this worksheet.

Inputs on Service Revenue Requirement Worksheet

The Service Revenue Requirement is in the 'Revenue Requirement Workform' - Tab 3.

Item	Working Paper Reference	
Adjustments required to arrive at taxable income	as below	**-3,892,922**
Test Year - Payments in Lieu of Taxes (PILs)	T0	**704,131**
Test Year - Grossed-up PILs	T0	**958,002**
Effective Federal Tax Rate	T0	**15.0%**
Effective Ontario Tax Rate	T0	**11.5%**

Calculation of Adjustments required to arrive at Taxable Income			
Regulatory Income (before income taxes)	T1	6,550,022	
Taxable Income	T1	2,657,100	
Difference	calculated	-3,892,922	as above

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Income Tax/PILs Workform for 2024 Filers

			Test Year	Bridge Year	
Rate Base		S	**$ 177,796,465**	**$ 158,003,719**	
Return on Ratebase					
Deemed ShortTerm Debt %	4.00%	T	$ 7,111,859	*W = S * T*	
Deemed Long Term Debt %	56.00%	U	$ 99,566,021	*X = S * U*	
Deemed Equity %	40.00%	V	$ 71,118,586	*Y = S * V*	
Short Term Interest Rate	6.23%	Z	$ 443,069	*AC = W * Z*	
Long Term Interest	5.59%	AA	$ 5,562,662	*AD = X * AA*	
Return on Equity (Regulatory Income)	9.21%	AB	**$ 6,550,022**	*AE = Y * AB*	T1
Return on Rate Base			**$ 12,555,753**	*AF = AC + AD + AE*	

Questions that must be answered

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

Ontario Energy Board

Income Tax/PILs Workform for 2023 Filers

Tax Rates **Federal & Provincial** **As of MMM XX, 2019**	**Effective January 1, 2017**	**Effective January 1, 2018**	**Effective January 1, 2019**	**Effective January 1, 2020**	**Effective January 1, 2021**	**Effective January 1, 2022**	**Effective January 1, 2023**
Federal income tax							
General Corporate Rate	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%	38.00%
Federal Tax Abatement	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Adjusted Federal Rate	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
Rate Reduction	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%	-13.00%
Federal Income Tax	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Ontario Income Tax	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%
Combined Federal and Ontario	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
Federal & Ontario Small Business							
Federal Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Ontario Small Business Limit	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Federal Small Business Rate	11.00%	10.50%	10.50%	10.00%	9.00%	9.00%	9.00%
Ontario Small Business Rate	4.50%	4.50%	3.50%	3.50%	3.20%	3.20%	3.20%

Notes

1. The Ontario Energy Board's proxy for taxable capital is rate base.
2. The appropriate Federal and Ontario small business rates are calculated in the Income/PILs Workform. The Federal and Ontario small business deduction:
   a. is applicable if taxable capital is below $10 million.
   b. is phased out with taxable capital of more than $10 million.
   c. is completely eliminated when the taxable capital is $15 million or more. Effective for the 2022 taxation year, the Federal small business deduction is revised to be completely eliminated when the taxable capital is $50 million or more.

Income Tax/PILs Workform for 2024 Filers

Integrity Checks

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

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

Ontario Energy Board

Income Tax/PILs Workform for 2024 Filers

PILs Tax Provision - Historical Year

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

					Wires Only	
Regulatory Taxable Income				H1	-$ 1,451,428	**A**
Combined Tax Rate and PILs	Ontario Tax Rate (Maximum 11.5%)	11.50%	**B**			
	Federal tax rate (Maximum 15%)	15.00%	**C**			
	Combined tax rate (Maximum 26.5%)				26.50%	**D = B+C**
Total Income Taxes					**-$ 384,628**	**E = A * D**
Investment Tax Credits					$ -	**F**
Miscellaneous Tax Credits					$ -	**G**
Total Tax Credits					**$ -**	**H = F + G**
Corporate PILs/Income Tax Provision for Historical Year					**$ -**	**I = E - H**

Ontario Energy Board

Income Tax/PILs Workform for 2024 Filers

Adjusted Taxable Income - Historical Year

	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
Income before PILs/Taxes	**(A + 101 + 102)**	5,284,765		5,284,765
Additions:				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	4,150,077		4,150,077
Amortization of intangible assets	106	646,763		646,763
Recapture of capital cost allowance from Schedule 8	107			0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111			0
Charitable donations and gifts from Schedule 2	112	16,363	-14,249	30,612
Taxable capital gains from Schedule 6	113			0
Political contributions	114			0
Deferred and prepaid expenses	116			0
Scientific research expenditures deducted on financial statements	118			0
Capitalized interest	119			0
Non-deductible club dues and fees	120			0
Non-deductible meals and entertainment expense	121	23,245		23,245
Non-deductible automobile expenses	122			0
Non-deductible life insurance premiums	123			0
Non-deductible company pension plans	124			0
Tax reserves deducted in prior year	125			0
Reserves from financial statements – balance at the end of the year	126	6,247,601		6,247,601
Soft costs on construction and renovation of buildings	127			0
Capital items expensed	206			0
Debt issue expense	208			0
Development expenses claimed in current year	212			0
Financing fees deducted in books	216			0
Gain on settlement of debt	220			0
Non-deductible advertising	226			0
Non-deductible interest	227			0
Non-deductible legal and accounting fees	228			0
Recapture of SR&ED expenditures	231			0
Share issue expense	235			0
Write down of capital property	236			0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237			0
Other additions				
Interest Expensed on Capital Leases	295			0
Realized Income from Deferred Credit Accounts	295			0
Pensions	295			0
Non-deductible penalties	295			0
	295			0

	295			0
ARO Accretion expense				0
Capital Contributions Received (ITA 12(1)(x))				0
Lease Inducements Received (ITA 12(1)(x))				0
Deferred Revenue (ITA 12(1)(a))				0
Prior Year Investment Tax Credits received				0
				0

				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Additions		**11,084,049**	**-14,249**	**11,098,298**
Deductions:				
Gain on disposal of assets per financial statements	401	172		172
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8	403	11,538,561		11,538,561
Terminal loss from Schedule 8	404			0
Allowable business investment loss	406			0
Deferred and prepaid expenses	409			0
Scientific research expenses claimed in year	411			0
Tax reserves claimed in current year	413			0
Reserves from financial statements - balance at beginning of year	414	6,295,758		6,295,758
Contributions to deferred income plans	416			0
Book income of joint venture or partnership	305			0
Equity in income from subsidiary or affiliates	306			0
Other deductions				
Interest capitalized for accounting deducted for tax	395			0
Capital Lease Payments	395			0
Non-taxable imputed interest income on deferral and variance accounts	395			0
	395			0
	395			0
ARO Payments - Deductible for Tax when Paid				0
ITA 13(7.4) Election - Capital Contributions Received				0
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds				0
Deferred Revenue - ITA 20(1)(m) reserve				0
Principal portion of lease payments				0
Lease Inducement Book Amortization credit to income				0
Financing fees for tax ITA 20(1)(e) and (e.1)				0
				0
				0
				0
				0
				0
				0
				0
				0
Total Deductions		**17,834,491**	**0**	**17,834,491**
Net Income for Tax Purposes		**-1,465,677**	**-14,249**	**-1,451,428**
Charitable donations from Schedule 2	311			0
Taxable dividends received under section 112 or 113	320			0
Non-capital losses of previous tax years from Schedule 4	331			0
Net capital losses of previous tax years from Schedule 4	332			0
Limited partnership losses of previous tax years from Schedule 4	335			0
TAXABLE INCOME		**-1,465,677**	**-14,249**	**-1,451,428**

H0

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Income Tax/PILs Workform for 2024 Filers

Schedule 4 Loss Carry Forward - Historical

Corporation Loss Continuity and Application

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

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

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Income Tax/PILs Workform for 2024 Filers

Schedule 8 - Historical Year

Class	Class Description	UCC End of Year Historical per tax returns	Less: Non-Distribution Portion	UCC Regulated Historical Year	Working Paper Reference
1	Buildings, Distribution System (acq'd post 1987)	$ 18,267,061		$ 18,267,061	B8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	$ 13,073,023		$ 13,073,023	B8
2	Distribution System (acq'd pre 1988)			$ -	B8
3	Buildings (acq'd pre 1988)			$ -	B8
6	Certain Buildings; Fences			$ -	B8
8	General Office Equipment, Furniture, Fixtures	$ 408,471		$ 408,471	B8
10	Motor Vehicles, Fleet	$ 1,263,675		$ 1,263,675	B8
10.1	Certain Automobiles			$ -	B8
12	Computer Application Software (Non-Systems)			$ -	B8
13_1	Lease # 1			$ -	B8
13_2	Lease # 2			$ -	B8
13_3	Lease # 3			$ -	B8
13_4	Lease # 4			$ -	B8
14	Limited Period Patents, Franchises, Concessions or Licences			$ -	B8
14.1	Eligible Capital Property (acq'd pre 2017)	$ 3,901,786	$ 3,901,786	$ -	B8
14.1	Eligible Capital Property (acq'd post 2016)			$ -	B8
17	Elec. Generation Equip. (Non-Bldng, acq'd post Feb 27/00); Roads, Lots, Storage			$ -	B8
42	Fibre Optic Cable			$ -	B8
43.1	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -	B8
43.2	Certain Clean Energy/Energy-Efficient Generation Equipment			$ -	B8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	$ 25		$ 25	B8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	$ 1,917		$ 1,917	B8
47	Distribution System (acq'd post Feb 22/05)	$ 86,399,816		$ 86,399,816	B8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	$ 54,055		$ 54,055	B8
95	CWIP			$ -	B8
				$ -	
				$ -	
				$ -	
				$ -	
				$ -	
				$ -	
				$ -	
				$ -	
	SUB-TOTAL - UCC	123,369,828	3,901,786	119,468,042	

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Income Tax/PILs Workform for 2024 Filers

Schedule 13 Tax Reserves - Historical

Continuity of Reserves

Description	Historical Balance as per tax returns	Non-Distribution Eliminations	Utility Only	
Capital gains reserves ss.40(1)			0	B13
Tax reserves not deducted for accounting purposes				
Reserve for doubtful accounts ss. 20(1)(l)			0	B13
Reserve for undelivered goods and services not rendered ss. 20(1)(m)			0	B13
Reserve for unpaid amounts ss. 20(1)(n)			0	B13
Debt & share issue expenses ss. 20(1)(e)			0	B13
Other tax reserves			0	B13
			0	
			0	
			0	
			0	
			0	
Total	**0**	**0**	**0**	
Financial Statement Reserves (not deductible for Tax Purposes)				
General reserve for inventory obsolescence (non-specific)			0	B13
General reserve for bad debts			0	B13
Accrued Employee Future Benefits:			0	B13
- Medical and Life Insurance			0	B13
-Short & Long-term Disability			0	B13
-Accmulated Sick Leave			0	B13
- Termination Cost			0	B13
- Other Post-Employment Benefits			0	B13
Provision for Environmental Costs			0	B13
Restructuring Costs			0	B13
Accrued Contingent Litigation Costs			0	B13
Accrued Self-Insurance Costs			0	B13

Other Contingent Liabilities			0	B13
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0	B13
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0	B13
Other			0	B13
Pension and OPEB	6,247,601		6,247,601	
			0	
Total	**6,247,601**	**0**	**6,247,601**	

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Income Tax/PILs Workform for 2024 Filers

PILS Tax Provision - Bridge Year

Wires Only

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate		Reference		
Regulatory Taxable Income						B1	$ 564,709	A
Ontario (Max 11.5%)	11.5%	11.5%	$ 64,942	11.5%	B			
Federal (Max 15%)	15.0%	15.0%	$ 84,706	15.0%	C			
Combined effective tax rate (Max 26.5%)							26.50%	D = B + C
Total Income Taxes							**$ 149,648**	E = A * D
Investment Tax Credits							$ -	F
Miscellaneous Tax Credits							$ -	G
Total Tax Credits							**$ -**	H = F + G
Corporate PILs/Income Tax Provision for Bridge Year							**$ 149,648**	I = E - H

Note:

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

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Income Tax/PILs Workform for 2024 Filers

Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	**(A + 101 + 102)**		5,384,767
Additions:			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		4,768,772
Amortization of intangible assets	106		663,402
Recapture of capital cost allowance from Schedule 8	107	B8	0
Income inclusion under subparagraph 13(38)(d)(iii)	108		
Income or loss for tax purposes- joint ventures or partnerships	109		
Loss in equity of subsidiaries and affiliates	110		
Loss on disposal of assets	111		
Charitable donations and gifts from Schedule 2	112		30,612
Taxable capital gains	113		
Political contributions	114		
Deferred and prepaid expenses	116		
Scientific research expenditures deducted on financial statements	118		
Capitalized interest	119		
Non-deductible club dues and fees	120		
Non-deductible meals and entertainment expense	121		23,900
Non-deductible automobile expenses	122		
Non-deductible life insurance premiums	123		
Non-deductible company pension plans	124		
Tax reserves deducted in prior year	125	B13	0
Reserves from financial statements- balance at end of year	126	B13	6,286,649
Soft costs on construction and renovation of buildings	127		
Capital items expensed	206		
Debt issue expense	208		
Development expenses claimed in current year	212		
Financing fees deducted in books	216		
Gain on settlement of debt	220		
Non-deductible advertising	226		
Non-deductible interest	227		
Non-deductible legal and accounting fees	228		
Recapture of SR&ED expenditures	231		
Share issue expense	235		
Write down of capital property	236		
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237		

Ontario Energy Board

Income Tax/PILs Workform for 2024 Filers

Adjusted Taxable Income - Bridge Year

Other Additions			
Interest Expensed on Capital Leases	295		
Realized Income from Deferred Credit Accounts	295		
Pensions	295		
Non-deductible penalties	295		
	295		
	295		
ARO Accretion expense			
Capital Contributions Received (ITA 12(1)(x))			
Lease Inducements Received (ITA 12(1)(x))			
Deferred Revenue (ITA 12(1)(a))			
Prior Year Investment Tax Credits received			
Total Additions			**11,773,335**
Deductions:			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	10,345,791
Terminal loss from Schedule 8	404	B8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves claimed in current year	413	B13	0
Reserves from financial statements - balance at beginning of year	414	B13	6,247,601
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
Other deductions			

Ontario Energy Board

Income Tax/PILs Workform for 2024 Filers

Adjusted Taxable Income - Bridge Year

Interest capitalized for accounting deducted for tax	395		
Capital Lease Payments	395		
Non-taxable imputed interest income on deferral and variance accounts	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
Total Deductions		calculated	**16,593,392**
Net Income for Tax Purposes		calculated	**564,709**
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	B4	0
Net capital losses of previous tax years from Schedule 4	332	B4	0
Limited partnership losses of previous tax years from Schedule 4	335		
TAXABLE INCOME		calculated	**564,709**

Attachment 6C

2023 Corporate Tax Return

Algoma Power Inc.
EB-2024-0007

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

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

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

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

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

055 **Do not use this area**

Identification

Business number (BN) 001 82249 4290 RC0001

Corporation's name
002 Algoma Power Inc.

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.
011 251 Industrial Park Crescent
012
City: 015 Sault Ste Marie | Province, territory, or state: 016 ON
Country (other than Canada): 017 | Postal or ZIP code: 018 P6B 5P3

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 FortisOntario
022 1130 Bertie Street
023 PO Box 1218
City: 025 Fort Erie | Province, territory, or state: 026 ON
Country (other than Canada): 027 | Postal or ZIP code: 028 L2A 5Y2

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 1130 Bertie Street
032 PO Box 1218
City: 035 Fort Erie | Province, territory, or state: 036 ON
Country (other than Canada): 037 CA | Postal or ZIP code: 038 L2A 5Y2

040 **Type of corporation at the end of the tax year** (tick one)
- [ ] 1 Canadian-controlled private corporation (CCPC)
- [ ] 2 Other private corporation
- [ ] 3 Public corporation
- [X] 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 2023-01-01
Tax year-end (Year Month Day): 061 2023-12-31

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

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265		55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268		53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54
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
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	277		56

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
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290		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	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		-1,759,358	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities	352			
Subtotal			►	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360			
Taxable income for the year from a personal services business				Z.1

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

Small business deduction

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

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

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

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

Notes:

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

Business limit reduction

Taxable capital business limit reduction for tax years starting before April 7, 2022

Amount C ________ x **415** *** ________ D / 11,250 = ... ________ E1

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

Amount C ________ x **415** *** ________ D / 90,000 = ... ________ E2

Amount E1 or amount E2, whichever applies ________ ► ________ E3

Passive income business limit reduction

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

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

The greater of amount E3 and amount G **422** ________ H

Reduced business limit (amount C **minus** amount H) (if negative, enter "0") . . . . . **426** ________ I

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

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

Small business deduction – Amount A, B, C, or K, whichever is the least . . . . ________ x 19 % = **430** ________

Enter amount from line 430 at amount 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 or substantive CCPCs at any time in the tax year

Taxable income from line 360 on page 3			A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B	
Amount 13K from Part 13 of Schedule 27		C	
Personal services business income	432	D	
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*		E	
Aggregate investment income from line 440 on page 6**		F	
Subtotal (**add** amounts B to F)		►	G
Amount A **minus** amount G (if negative, enter "0")			H
General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 %			I

Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

** 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, a substantive CCPC, 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 or substantive CCPCs at any time in the tax year

Aggregate investment income from Schedule 7 . . . . **440** ______ x 30 2/3 % =		______	A
Foreign non-business income tax credit from line 632 on page 8	______	B	
Foreign investment income from Schedule 7 . . . . **445** ______ x 8 % =	______	C	
Subtotal (amount B **minus** amount C) (if negative, enter "0")	______ ▶		______ D
Amount A **minus** amount D (if negative, enter "0")			______ E
Taxable income from line 360 on page 3	______	F	
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least* . . . . ______ G			
Foreign non-business income tax credit from line 632 on page 8 . . . . ______ x 75 / 29 = ______ H			
Foreign business income tax credit from line 636 on page 8 . . ______ x 4 = ______ I			
Subtotal (**add** amounts G to I) ______ ▶	______	J	
Subtotal (amount F **minus** amount J)	______	K x 30 2/3 % =	______ L
Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9)			______ M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450**			______ N

* This is not applicable to substantive CCPCs.

T2 E (24)

Refundable dividend tax on hand

Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (line 530 of the preceding tax year)		520		A
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (line 545 of the preceding tax year) (if negative, enter "0")		535		B
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		C		
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		D		
Subtotal (amount C **plus** amount D)		▶		E
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary		525		F
ERDTOH dividend refund for the previous tax year		570		G
Refundable portion of Part I tax (from line 450 on page 6)				H
Part IV tax before deductions (amount 2A from Schedule 3)		I		
Part IV tax allocated to ERDTOH (amount E)		J		
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		K		
Subtotal (amount I **minus** total of amounts J and K)		▶		L
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary		540		M
NERDTOH dividend refund for the previous tax year		575		N
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)				O
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount L **minus** amount O) (if negative enter “0”)				P
NERDTOH at the end of the tax year (total of amounts B, H, M, and P **minus** amount N) (if negative, enter "0")		545		
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount E **minus** the amount, if any, by which amount O exceeds amount L) (if negative, enter "0")				Q
ERDTOH at the end of the tax year (total of amounts A, F, and Q **minus** amount G) (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) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)

Aggregate investment income from line 440 on page 6 . . . . . ______ 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 or substantive 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.

* This is not applicable to substantive CCPCs.

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 II.2 tax payable from Schedule 56			705	
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	142,689
			Total tax payable 770	142,689 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	78,000	
Total credits	890	78,000 ▶	78,000 B

Balance (amount A **minus** amount B) 64,689

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 1 Refund

Balance owing 64,689

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

RepID 925

Certification

I, 950 King (Last name) 951 Glen (First name) 954 Chief Executive 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 2024-05-28 — Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 (905) 871-0330 — Telephone number

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

958 Tara Carll — Name of other authorized person

959 (905) 871-0330 — 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

T2 E (24)

Schedule of Instalment Remittances

Name of corporation contact

Telephone number (905) 871-0330

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
2023-01-31	Federal Installment	29,000
2023-02-27	Federal Installment	29,000
2023-03-30	Federal Installment	2,000
2023-04-27	Federal Installment	2,000
2023-05-30	Federal Installment	2,000
2023-06-28	Federal Installment	2,000
2023-07-28	Federal Installment	2,000
2023-08-28	Federal Installment	2,000
2023-09-28	Federal Installment	2,000
2023-10-27	Federal Installment	2,000
2023-11-27	Federal Installment	2,000
2023-12-21	Federal Installment	2,000
	Federal Installment	

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 78,000 **A**

Total instalments credited to the taxation year per T9 78,000 **B**

Transfer

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

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	40,953,596	35,131,194
	Total tangible capital assets	2008	+	212,593,716	202,805,153
	Total accumulated amortization of tangible capital assets	2009	–	78,020,146	74,258,806
	Total intangible capital assets	2178	+	36,199,061	24,724,901
	Total accumulated amortization of intangible capital assets	2179	–	22,156,649	10,555,259
	Total long-term assets	2589	+	750,045	397,623
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	190,319,623	178,244,806
	Liabilities				
	Total current liabilities	3139	+	42,021,621	32,281,185
	Total long-term liabilities	3450	+	83,851,842	87,029,356
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	125,873,463	119,310,541
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	64,446,160	58,934,265
	Total liabilities and shareholder equity	3640	=	190,319,623	178,244,806
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	20,438,379	14,926,484

* Generic item

Canada Revenue Agency / Agence du revenu du Canada

SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

Income statement information

Description	GIFI	
Operating name	0001	
Description of the operation	0002	
Sequence number	0003	01

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	57,162,243	56,586,817
	Cost of sales	8518	–	39,971,182	41,110,224
	Gross profit/loss	8519	=	17,191,061	15,476,593
	Cost of sales	8518	+	39,971,182	41,110,224
	Total operating expenses	9367	+	11,659,154	10,327,796
	Total expenses (mandatory field)	9368	=	51,630,336	51,438,020
	Total revenue (mandatory field)	8299	+	56,915,101	56,430,809
	Total expenses (mandatory field)	9368	–	51,630,336	51,438,020
	Net non-farming income	9369	=	5,284,765	4,992,789
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	5,284,765	4,992,789
	Total – other comprehensive income	9998	=		
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	-469,958	233,936
	Future (deferred) income tax provision	9995	–	242,828	24,639
	Total – Other comprehensive income	9998	+		
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	5,511,895	4,734,214

Canada Revenue Agency / Agence du revenu du Canada

Schedule 141

General Index of Financial Information (GIFI) – Additional Information

Corporation's name	Business number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- Corporations need to complete all parts of this schedule that apply and include it with their T2 return along with their other GIFI schedules.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI), and Guide T4012, T2 Corporation – Income Tax Guide.

Part 1 – Information on the person primarily involved with the financial information

Can you identify the person* specified in the heading of Part 1? . . . **111** Yes [X] No [ ]

If you answered **no**, go to Part 2.

Does that person have a professional designation in accounting? . . . **095** Yes [X] No [ ]

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

* A person primarily involved with the financial information is a person who has more than a 50% involvement in preparing the financial information that the T2 return is based on. For example, if three persons prepared the financial information by doing respectively 30%, 30%, and 40% of the work, answer **no** at line 111. If they did respectively 10%, 20%, and 70% of the work, answer **yes** at line 111 and complete Part 1 by referring only to the third person.

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

Part 2 – Type of involvement

Choose one or more of the following options that represent your involvement and that of the person referred to in Part 1:

- Completed an auditor's report . . . **300** [X]
- Completed a review engagement report . . . **301** [ ]
- Conducted a compilation engagement . . . **302** [ ]
- Provided accounting services . . . **303** [ ]
- Provided bookkeeping services . . . **304** [ ]
- Other (please specify) . . . **305**

Part 3 – Reservations

If you selected option **1** (300) or **2** (301) in Part 2 above, answer the following question:

Has the person referred to in Part 1 expressed a reservation? . . . **099** Yes [ ] No [X]

Part 4 – Other information

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

Did the corporation have any subsequent events? . . . **104** Yes [ ] No [X]

Did the corporation re-evaluate its assets during the tax year? . . . **105** Yes [ ] No [X]

Did the corporation have any contingent liabilities during the tax year? . . . **106** Yes [ ] No [X]

Did the corporation have any commitments during the tax year? . . . **107** Yes [ ] No [X]

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

Part 4 – Other information (continued)

Impairment and fair value changes

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

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

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

Financial instruments

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

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

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

Adjustments to opening equity

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

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

Part 5 – Information on the person who prepared the T2 return

If the person who prepared the T2 return has a professional designation in accounting but is not the person identified in Part 1, choose all of the following options that apply:

Prepared the T2 return and the financial information contained therein . . . . . 310 [ ]

The client provided the financial statements . . . . . 311 [ ]

The client provided a trial balance . . . . . 312 [ ]

The client provided a general ledger . . . . . 313 [ ]

Other (please specify) 314

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

General Index of Financial Information

Notes to the financial statements

1. Basis of accounting and summary of significant accounting policies
Algoma Power Inc. ("API" or the "Company") is engaged in the distribution of electricity to the area adjacent to Sault Ste. Marie, Ontario and is subject to the regulations of the Ontario Energy Board ("OEB").
API operated as a division of Great Lakes Power Limited ("GLPL") from January 1, 2009 to June 30, 2009. In order to comply with Section 71 of OEB regulatory requirements, GLPL split out its distribution division by creating a separate legal entity called
Great Lakes Power Distribution Inc. ("GLPDI"). This entity began operating as a separate legal entity effective July 1, 2009. On October 8, 2009, there was a change of control as FortisOntario Inc. (the "Parent") acquired 100% of the shares of GLPDI and changed the name to Algoma Power Inc.
(a) Basis of accounting
These financial statements have been prepared in accordance with the accounting standards for private enterprises ("ASPE"), as per Part II of the CPA Handbook - Accounting, which constitutes generally accepted accounting principles for non-publicly accountable enterprises in Canada.
(b) Significant accounting policies
Regulation
The distribution rates of API are based upon cost-of-service ("CoS") rate regulation by the OEB. Earnings are regulated on the basis of a rate of return on rate base plus a recovery of all allowable distribution costs.
API is subject to Ontario Regulation 335/07, which is the Rural and Remote Rate Protection subsidy program ("RRRP"). The RRRP is calculated as the deficiency between the approved revenue requirement from the OEB and current customer distribution rates adjusted for the average rate increase across the Province of Ontario. API qualifies for this subsidy because it has less than seven customers per kilometer and a service area that extends beyond 10,000 kilometers. All general service and large customer classes have been reclassified as residential class under Ontario Regulation 445/07.
Beginning with electricity distribution rates effective in 2016, decoupling of electricity distribution rates for the Residential customer class was being introduced; complete decoupling was achieved for rates effective January 1, 2023 for residential customers and is projected to be achieved for seasonal customers for rates effective in 2027.
On August 18, 2021, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2022, based on Fourth Generation Incentive Rate Mechanism ("4GIRM"). A Decision and Order was issued December 9, 2021 that approved the net price cap index adjustment for API of 2.70% (Inflation factor net of a productivity and stretch factor 3.30% - (0% + 0.60%)). The 2.70% adjustment was applied to distribution rates for the Seasonal and Street Lighting customer classes. A Rural and RRRP adjustment factor of 3.28% was applied to the distribution rates for the Residential R-1 and Residential R-2 classes.
1. Basis of accounting and summary of significant accounting policies (continued) (b) Significant accounting policies (continued)
Regulation (continued)
On August 3, 2022, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2023, based on 4GIRM. A Decision and Order was issued December 8, 2022 that approved the net price cap index adjustment for API of 3.10% (Inflation factor net of a productivity and stretch factor
3.70% - (0% + 0.60%)). The 3.10% adjustment was applied to distribution rates for the Seasonal and Street Lighting customer classes. A Rural and RRRP adjustment factor of 3.11% was applied to the distribution rates for the Residential R-1 and Residential R-2 classes. The Decision and Order also

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

General Index of Financial Information

Notes to the financial statements

approved API requests to recover $33 in 2018-2022 lost revenue from energy conservation programs (LRAMVA).

On August 17, 2023, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2024, based on 4GIRM. A Decision and Order was issued December 7, 2023 that approved the net price cap index adjustment for API of 4.20% (Inflation factor net of a productivity and stretch factor
4.80% - (0% + 0.60%)). The 4.20% adjustment was applied to distribution rates for the Seasonal and Street Lighting customer classes. A Rural and RRRP adjustment factor of 3.54% was applied to the distribution rates for the Residential R-1 and Residential R-2 classes.Materials and supplies

Materials and supplies are recorded at average cost. Materials and supplies expensed to operating expense in 2023 were $34 ($92 in 2022).

Utility capital assets and capitalization policy

Distribution assets are those used to distribute electricity at lower voltages (generally below 50 kilovolts). These assets include poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

The service life range and average remaining service life of the utility capital assets are as follows:

	Service life range (years)	Average remaining service life (years)
Distribution	10 to 50	38.1
Other	5 to 20	5.6

Utility capital assets are stated at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the utility capital assets using the straight line method at a composite rate 2.2% (2.2% in 2022).

Contributions in aid of construction represent funding of utility capital assets contributed by customers. These accounts are being reduced annually by an amount equal to the charge for amortization provided on the contributed portion of the assets involved.

1. Basis of accounting and summary of significant accounting policies (continued)(b) Significant accounting policies (continued)

Utility capital assets and capitalization policy (continued)

Capitalization policy

The Company's capitalization policy is in accordance with the OEB's requirements to use a "modified IFRS" accounting basis to allow for more consistency amongst electricity distribution utilities in Ontario and this includes having asset useful lives that align with guidelines, and certain directly attributable costs that are capitalized while general overhead costs are not.Intangible assets

Intangible assets are stated at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the intangible assets using the straight-line method.

The service life range and average remaining service life of the intangible assets are as follows:

	Service life range (years)	Average remaining service life (years)
Software costs	5	2.9
Land rights and other	10 to 45	24.8

Revenue recognition

Revenue from the distribution of electricity is recognized on the accrual basis. Electricity is metered upon delivery to customers and is recognized as

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

General Index of Financial Information

Notes to the financial statements

revenue using approved rates when consumed. Meters are read periodically and bills are issued to customers based on these readings. At the end of the year, a certain amount of consumed electricity will not have been billed. Electricity that is consumed but not yet billed to the customers is estimated and accrued as revenue in the current year. Other revenue is recognized when services are provided and the customer takes ownership and assumes risk of loss in accordance with customer contracts, collection of the related receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Amounts received for future services are deferred until the service is provided.
Unbilled revenue included in accounts receivable as at December 31, 2023 is $3,288 ($3,473 in 2022).Foreign currency translation
Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the balance sheet date. Gains and losses on translation are included in the statement of earnings. Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the transaction date.
1. Basis of accounting and summary of significant accounting policies (continued)(b) Significant accounting policies (continued)
Employee benefit plans
The cost of the Company's defined benefit pension plans is determined periodically by independent actuaries. The Company has chosen an accounting policy to measure its defined benefit plan obligations using the funding valuation approach. This approach uses the most recent completed actuarial valuations prepared for funding purposes as the basis of measuring defined benefit plan obligations. As well, the Company is using a roll-forward technique in the years between valuations to estimate the defined benefit plan obligations. Pension plan assets are valued at fair value as at the balance sheet date.
In 2013, the Company made an application to the OEB to allow recognition of regulatory assets related to unamortized amounts, and restatement of prior years' pension and other retirement benefit expenses, that would otherwise be collected from customers through rates in subsequent years. In December 2013, the OEB issued a Decision and Order approving the establishment of specific deferral accounts to recognize these amounts as long-term regulatory assets, which will be disposed of in future CoS proceedings, subject to the OEB's prudence review at that time. As well, the Company reversed previously recognized future income tax liabilities related to the changes in the pension and other retirement benefit liabilities as of January 1, 2014. The Corporation recognized offsetting regulatory liabilities related to the future income taxes expected to be recovered from customers in future electricity rates as of January 1, 2014.
The Company made an application to the OEB to continue to account for pension and other retirement benefits under the former Section 3461.
In December 2013, the OEB issued a Decision and Order approving the establishment of specific variance accounts as of January 1, 2013, to recognize the difference in expense between Sections 3461 and 3462 as long-term regulatory assets or liabilities for 2013 and future years, which will be disposed of in future CoS proceedings, subject to the OEB's prudence review at that time.Income taxes
The Company follows the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities. Future tax assets and liabilities are measured using the enacted and the substantively enacted tax rates expected to apply to

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

General Index of Financial Information

Notes to the financial statements

taxable income in the period in which temporary differences are expected to be recovered or settled. The Company recognizes regulatory assets and liabilities related to future income tax liabilities and assets for the amount of future income taxes expected to be recovered from customers in future electricity rates.Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

1. Basis of accounting and summary of significant accounting policies (continued)(b) Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Company recognizes an impairment loss, if any, in net earnings when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.Use of estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Unbilled revenue, valuation of pension and post-retirement obligations, amortization, and income taxes are specific areas where the use of estimates and assumptions are significant. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Utility capital assets

Utility capital assets consist of the following:

2. Utility capital assets (continued)

The amounts above include assets under construction, which are not subject to amortization, of $9,541 ($17,990 in 2022).3. Intangible assets

Intangible assets consist of the following:

4. Employee future benefits

The Company maintains a defined benefit pension plan and a defined contribution pension plan providing pension benefits, and defined benefit plans providing other retirement benefits.

Information about API's benefit plans is as follows:

The measurement date for the plan assets and the accrued benefit obligation

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

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Notes to the financial statements

was as at December 31, 2023. The effective date of the most recent actuarial valuation was as at December 31, 2022 and the date of the next required valuation for funding purposes is as at December 31, 2025, and will be completed by September 2026. The measurement date for other retirement plans was as at December 31, 2023. The effective date of the most recent actuarial valuation was as at December 31, 2021.

The plan assets held at the measurement date are represented by the following categories:

As at December 31, 2023, one of the defined benefit pension plans had a net accrued benefit liability of $86 ($88 in 2022). This plan had no plan assets in 2023 or 2022.4. Employee future benefits (continued)

The total expense for the Company's defined contribution pension plan for the year amounted to $166 ($139 in 2022).5. Income taxes

The following is a reconciliation of the combined statutory income tax rate to the effective income tax rate:

The provision for income taxes consists of the following:

5. Income taxes (continued)

Future tax assets (liabilities) are comprised of the following:

6. Related party transactions

During the year, the Company entered into transactions with related parties summarized as follows:

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at December 31, the amounts due to related parties are summarized as follows:

6. Related party transactions (continued)

A promissory note of $12,750 due to the Parent company bears interest at 4.13% and is payable on demand. There are no specific terms of repayment for this note.Details of relationships with related parties are as follows:

. The Company is owned 100% by FortisOntario Inc., which itself is a wholly owned subsidiary of Fortis Inc.

. Cornwall Street Railway, Light and Power Company Limited is a wholly owned subsidiary of FortisOntario Inc.

. Canadian Niagara Power Inc. is a wholly owned subsidiary of FortisOntario Inc.7. Loans payable

Loans payable consists of the following:

Interest expense on loan payable for the year was $1,239 ($440 in 2022).

Loans payable authorized under the Company's credit facility agreements, which is shared among the subsidaries of FortisOntario Inc., have covenants that restrict the issuance of additional debt such that subsidiary debt cannot exceed 75% of their respective capital structures as defined in the agreements. As at December 31, 2023, the Company was in compliance with their debt covenants (in compliance in 2022).8. Long-term debt

Long-term debt consists of the following:

The senior unsecured notes bear interest at 5.118% and are repayable at maturity on December 16, 2041. The senior unsecured notes were issued on December 16, 2011 and interest is payable semi-annually. Interest expense for the year amounted to $2,661 ($2,661 in 2022). The Company incurred debt issue costs in 2011 of $499 that are being amortized over the term of the loan. As at December 31, 2023, the accumulated amortization amounted to $200 ($182 in

Corporation's name	Business number	Tax year end Year Month Day
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2022).8. Long-term debt (continued)
The Company's long-term debt obligations and credit facility agreements have covenants that restrict the issuance of additional debt such that debt cannot exceed 75% of their capital structures as defined in the agreements. As at December 31, 2023, the Company was in compliance with its debt covenants (in compliance in 2022).9. Capital stock
The authorized and issued shares consist of 90,831,810 common shares without par value.10. Amortization
Amortization consists of the following:

Vehicle amortizatiogn is allocated to utility capital assets and operating expenses on a labour distribution basis.11. Statement of cash flows
The net change in non-cash working capital balances related to operations consists of the following:
11. Statement of cash flows (continued)
Supplemental cash flow information:

The restricted cash is a deposit held by the Ministry of Environment for a Certificate of Approval.12. Financial risk management
The Company is primarily exposed to credit risk, liquidity risk and market risk as a result of holding financial instruments in the normal course of business.
Credit risk - Risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument.
Liquidity risk - Risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.
Market risk - Risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.Credit risk
For cash and accounts receivable due from customers, API's credit risk is limited to the carrying value on the balance sheet.
API is exposed to credit risk from its distribution customers but has various policies to minimize this risk. These policies include requiring customer deposits, performing disconnections and using third-party collection agencies for overdue accounts. API has a large and diversified distribution customer base which minimizes the concentration of credit risk.
The aging of the Company's trade and other receivables due from customers is as follows:
Liquidity risk
Liquidity risk to API is minimized since the financing of regulated capital and other expenditures is done through internally generated funds. These funds are a result of allowable rate regulated returns and recoveries under the OEB rate regulations mechanism.
12. Financial risk management (continued)
Liquidity risk (continued)
API is a subsidiary of the Parent, which is a wholly owned by Fortis Inc., a large investor owned utility, which has had the ability to raise sufficient and cost-effective financing. However, the ability to arrange financing on a go-forward basis is subject to numerous factors, including the results of operations and financial position of Fortis Inc. and its subsidiaries, conditions in the capital and bank credit markets, ratings assigned by rating agencies and general economic conditions.
To mitigate any liquidity risk, the Company is a party to a committed revolving and
non-revolving credit facilities and letters of credit facilities totaling $90,000 ($65,000 in 2022), of which $30,700 ($17,700 in 2022) was unused. The revolving credit facilities and letters of credit facilities are renewed on

Corporation's name	Business number	Tax year end Year Month Day
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an annual basis. Loans payable (see Note 7) are renewed on a rolling 30-day period from time to time as needed by the Company. This credit agreement is shared among the subsidiaries of the Parent and is renewed on an annual basis.
The following summary outlines the credit facilities among the subsidiaries of FortisOntario Inc:
The facility is guaranteed by the Parent company and the revolving credit facilities bear interest at the bankers' acceptance rate plus 1.00% in the case of bankers' acceptances while the
non-revolving credit facility bears interest at bankers' acceptance plus 0.75%, and at the bank's prime lending rate plus 0.20% in the case of bank loans.
The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31:
12. Financial risk management (continued)
Liquidity risk (continued)

Market risk
Interest rate risk
Long-term debt is at fixed interest rates thereby minimizing cash flow and interest rate fluctuation exposure. The Company is primarily subject to risks associated with fluctuating interest rates on its short-term borrowings.
Short-term borrowings for 2023 is $25,000 ($20,000 in 2022).
13. Capital management
API manages its capital to approximate the deemed capital structure reflected in the utility's customer rates or anticipated future rates. API's distribution rates effective on January 1, 2020 are based on a deemed capital structure of 60% debt and 40% equity. API's capital structure consists of third-party debt, affiliate debt and common equity, but excludes unamortized debt issue costs.The managed capital is as follows:

14. Regulatory assets and liabilities
Regulatory liabilities net of regulatory assets arise as a result of regulatory requirements.
The Company pays the cost of power on behalf of its customers and recovers these costs through retail billings to its customers. The cost of power includes charges for transmission, wholesale market operations and the power itself from Ontario's Independent Electricity System Operator. The balance of the retail settlement variance account represents the costs that have not been recovered from, or settled through, customers as of the balance sheet date.
The OEB's Distribution Rate Handbook and Accounting Procedures Handbook allow these costs to be deferred and recovered through future rate adjustments as discussed in Note 1. In the absence of rate regulation, these costs would be expensed in the period they are incurred.
14. Regulatory assets and liabilities (continued)
The OEB has the general power to include or exclude costs, revenues, gains or losses in the rates of a specific period, resulting in the timing of revenue and expense recognition that may differ in the Company's regulated operations from those otherwise expected in non-regulated businesses. This change in timing gives rise to the recognition of regulatory assets and liabilities.
The Company continually assesses the likelihood of recovery of its regulatory assets and believes that its regulatory assets and liabilities will be factored into the setting of future rates as discussed in Note 1. If future recovery through rates is no longer considered probable, the appropriate carrying amount will be written off in the period that the assessment is made.
In 2019, the OEB directed all regulated utilities to recognize a regulatory

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liability for any cash tax savings related to the new accelerated capital cost allowance rules enacted by the federal government in late 2018. As at December 31, 2019, the Company is no longer required to track variances related to accelerated capital cost allowance as approved in the Decision and Order issued for the Company's 2020 CoS. API has recorded variances related to accelerated capital cost allowance for it's two ACM projects.

In the Decision and Order for API's 2020 CoS, the OEB approved the recovery over five years of certain costs associated with the interim operation of DLI's distribution system along with transaction costs totaling $618. API's revenue requirement was increased by $124 and entries are being recorded to "Other regulatory adjustments" for the amortization of the approved DLI costs.

The "Other regulatory adjustments" on the statement of earnings and retained earnings are summarized as follows:

In API's 2020 CoS, 2 capital projects were identified that meet the criteria as being eligible for Advanced Capital Module ("ACM") treatment. In 2022, API completed construction on the first project, the new office building in Sault Ste Marie. The capital costs amounted to $15,814 with amortization of $28, while $1,082 was collected through a combination of RRRP funding and rate riders. In 2023, an additional $640 in capital costs was incurred, while amortization on the project was $346 and $1,077 was collected through a combination of RRRP funding and rate riders. In 2023, construction was completed on the second ACM project, the Echo River substation. The capital costs amounted to $10,852 with amortization of $100, while $554 was collected through a combination of RRRP funding and rate riders. In accordance with OEB accounting guidance, both the capitalized cost and accumulated amortization and amortization expense along with amounts collected to date have been recorded in long-term regulatory assets and will remain recorded there until the next CoS rebase in 2025 where final approval will be requested.

14. Regulatory assets and liabilities (continued)

API recorded the following regulatory assets and liabilities as at December 31:

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

Assets – lines 1000 to 2599

1000	221,827	1060	6,973,933	1066	410,143
1120	79,572	1480	32,951,980	1484	316,141
1599	40,953,596	1600	1,576,244	1740	211,017,472
1741	-78,020,146	2008	212,593,716	2009	-78,020,146
2010	36,199,061	2011	-22,156,649	2178	36,199,061
2179	-22,156,649	2424	750,045	2589	750,045
2599	190,319,623				

Liabilities – lines 2600 to 3499

2620	33,159,246	2860	8,767,663	2961	94,712
3139	42,021,621	3140	52,531,243	3240	11,292,485
3300	12,750,000	3320	6,177,457	3321	1,100,657
3450	83,851,842	3499	125,873,463		

Shareholder equity – lines 3500 to 3640

3500	43,907,781	3520	100,000	3600	20,438,379
3620	64,446,160	3640	190,319,623		

Retained earnings – lines 3660 to 3849

3660	14,926,484	3680	5,511,895	3849	20,438,379

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

Description

Sequence number **0003** 01

Revenue – lines 8000 to 8299

8000	57,162,243	**8089**	57,162,243	**8094**	65,258
8210	172	**8230**	-312,240	**8231**	-332
8299	56,915,101				

Cost of sales – lines 8300 to 8519

8320	28,238,726	**8450**	11,732,456	**8518**	39,971,182
8519	17,191,061				

Operating expenses – lines 8520 to 9369

8520	86,819	**8523**	46,489	**8570**	646,763
8590	66,853	**8670**	4,150,077	**8690**	123,232
8710	4,834,734	**8860**	1,145,891	**9180**	243,806
9200	72,486	**9220**	242,004	**9367**	11,659,154
9368	51,630,336	**9369**	5,284,765		

Extraordinary items and taxes – lines 9970 to 9999

9970	5,284,765	**9990**	-469,958	**9995**	242,828
9999	5,511,895				

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
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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				5,511,895	A
Add:					
Provision for income taxes – current	101	-469,958			
Provision for income taxes – deferred	102	242,828			
Amortization of tangible assets	104	4,150,077			
Amortization of intangible assets	106	646,763			
Charitable donations and gifts from Schedule 2	112	16,363			
Non-deductible meals and entertainment expenses	121	23,245			
Reserves from financial statements – balance at the end of the year	126	6,247,601			
Subtotal of additions		10,856,919	▶	10,856,919	

Add:

Other additions:

1 Description 605	2 Amount 295
Total of column 2	▶ 296

Subtotal of other additions	199	0	▶	0	D
Total additions	500	10,856,919	▶	10,856,919	
Amount A **plus** line 500				16,368,814	B
Deduct:					
Gain on disposal of assets per financial statements	401	172			
Capital cost allowance from Schedule 8	403	11,832,242			
Reserves from financial statements – balance at the beginning of the year	414	6,295,758			
Subtotal of deductions		18,128,172	▶	18,128,172	

Deduct:

Other deductions:

1 Description 705	2 Amount 395
Total of column 2	▶ 396

Subtotal of other deductions	499	0	▶	0	E
Total deductions	510	18,128,172	▶	18,128,172	
Net income (loss) for income tax purposes (amount B **minus** line 510)				-1,759,358	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
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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)
United Way Sault Ste. Marie	12,763
MATTHEWS MEMORIAL HOSPITAL ASSOCIATION	1,000
SAH Foundation	1,000
Alzheimer Society Canada	100
F.J. Davey Home Foundation	100
Thrive Child Development Centre Foundation	100
SAULT STE. MARIE AND DISTRICT SOCIETY FOR PREVEN	100
Northern Critters in Need (NCIN)	100
The Kensington Conservancy - CANADA	500
Canadian Canadian Society	100
St. Jospeh Island United Church	300
St. Jospeh Island Museum	200
Subtotal	16,363
Add: Total donations of less than $100 each	
Total donations in current tax year	16,363

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	16,363		16,363	16,363
Subtotal (line 250 **plus** line 210)		16,363	1B	16,363	16,363
Subtotal (line 240 **plus** amount 1B)		16,363	1C	16,363	16,363
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		16,363	1D	16,363	16,363
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	16,363		16,363	16,363

The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013) . . . . **262** ____________

Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %) . . . . ____________ 1

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

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

Nova Scotia food bank tax credit for farmers (amount on line 263 **multiplied** by 25 %) . . . . ____________ 2

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

The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2027) . . . . **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	2022-12-31			
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2009-12-31			
15th prior year	2009-10-08			
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
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, this amount is before the deduction of bonus interest payments and payments pursuant to allocations in proportion to borrowing made by the credit union that is otherwise deductible under subsection 137(2).

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

Part 3 – Gifts of certified cultural property

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

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

Amount carried forward – Gifts of certified cultural property

Year of origin:		Federal	Québec	Alberta
1st prior year	2022-12-31			
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2009-12-31			
15th prior year	2009-10-08			
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
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

	Line	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	2022-12-31			
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year*	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2009-12-31			
15th prior year	2009-10-08			
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
Total				

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

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

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

Part 5 – Additional deduction for gifts of medicine

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

Federal

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

Québec

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

Alberta

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

where:

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

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

		Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F) **(Note 3)**	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.

Note 3: The amount at line 680 is not available for carryforward.

Amounts carried forward – Additional deduction for gifts of medicine

Year of origin:		Federal	Québec	Alberta
1st prior year	2022-12-31			
2nd prior year	2021-12-31			
3rd prior year	2020-12-31			
4th prior year	2019-12-31			
5th prior year	2018-12-31			
6th prior year*	2017-12-31			
7th prior year	2016-12-31			
8th prior year	2015-12-31			
9th prior year	2014-12-31			
10th prior year	2013-12-31			
11th prior year	2012-12-31			
12th prior year	2011-12-31			
13th prior year	2010-12-31			
14th prior year	2009-12-31			
15th prior year	2009-10-08			
16th prior year				
17th prior year				
18th prior year				
19th prior year				
20th prior year				
21st prior year*				
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	2022-12-31	
2nd prior year	2021-12-31	
3rd prior year	2020-12-31	
4th prior year	2019-12-31	
5th prior year	2018-12-31	
6th prior year	2017-12-31	
7th prior year	2016-12-31	
8th prior year	2015-12-31	
9th prior year	2014-12-31	
10th prior year	2013-12-31	
11th prior year	2012-12-31	
12th prior year	2011-12-31	
13th prior year	2010-12-31	
14th prior year	2009-12-31	
15th prior year	2009-10-08	
16th prior year		
17th prior year		
18th prior year		
19th prior year		
20th prior year		
21st prior year*		
Total		

* These gifts expired in the current year.

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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			-1,759,358	1A
Net capital losses deducted in the year (enter as a positive amount)		1B		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)		1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		1E		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)		1F		
Subtotal (total of amounts 1B to 1F)		▶		1G
Subtotal (amount 1A **minus** amount 1G; if positive, enter "0"			-1,759,358	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				1I
Subtotal (amount 1H **minus** amount 1I)			-1,759,358	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.			-1,759,358	1L

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		1M		
Non-capital loss expired **(note 1)**	100			
Non-capital losses at the beginning of the tax year (amount 1M **minus** line 100)	102	▶		
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	1,759,358		
Subtotal (line 105 **plus** line 110)		1,759,358 ▶	1,759,358	1N
Subtotal (line 102 **plus** amount 1N)			1,759,358	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)

	Line	Amount		Amount	
Other adjustments (includes adjustments for an acquisition of control)	150				
Section 80 – Adjustments for forgiven amounts	140				
Subsection 111(10) – Adjustments for fuel tax rebate					
Non-capital losses of previous tax years applied in the current tax year Enter line 130 on line 331 of the T2 return.	130				
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax **(note 3)**	135				
Subtotal (total of lines 150, 140, 130 and 135)			▶		1P
Non-capital losses before any request for a carryback (amount 1O **minus** amount 1P)				1,759,358	1Q

Request to carry back non-capital loss to:

	Line	Amount		Amount	
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	1,728,346			
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)		1,728,346	▶	1,728,346	1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q **minus** amount 1R)	180			31,012	

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

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

Note

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

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

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

Part 2 – Capital losses (continued)

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

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

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

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

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

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

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

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

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

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

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

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

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

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

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

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

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

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

Enter line 330 on line 334 of the T2 Return.

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

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

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

Request to carry back farm loss to:

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

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

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

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

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

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

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

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

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

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Continuity of restricted farm losses and request for a carryback

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

Request to carry back restricted farm loss to:

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

Note

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

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

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

Request to carry back listed personal property loss to:

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

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

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

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

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

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

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

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

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

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

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce: Taxable income	Applied to reduce: Part IV tax	Balance at end of year
Current	N/A	1,759,358		1,728,346	N/A		31,012
Total		1,759,358		1,728,346			31,012

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Schedule 5

Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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.

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 **multiplied** by taxable income, **divided** by G	D Gross revenue attributable to jurisdiction	E D **multiplied** by taxable income, **divided** by 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

Description	Line	Amount		Total	
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 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 406 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	142,689			
Ontario special additional tax on life insurance corporations (from Schedule 512)	280				
Subtotal (line 278 **plus** line 280)		142,689	►	142,689	5H
Total Ontario tax payable before refundable tax credits (amount 5G **plus** amount 5H)				142,689	5I
Ontario qualifying environmental trust tax credit	450				
Ontario co-operative education tax credit (from Schedule 550)	452				
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 made manufacturing investment tax credit (from Schedule 572)	474				
Ontario refundable tax credits (total of lines 450 to 474)			►		5J
Net Ontario tax payable or refundable tax credit (amount 5I **minus** amount 5J)			290	142,689	

(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 255 142,689

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

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

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

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 [X]

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.			
		Total	

Immediate expensing limit allocated to the corporation (see **note 2**) **125**

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

Note 2: Multiply 1.5 million by the percentage assigned to your corporation in column 3. 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	Pre Feb. 2005 Distribution Equipment	19,028,189						0
2.	8	General Office/Stores Equipment	346,110	187,976					0
3.	10	Vehicles	852,152	1,213,034					0
4.	47	Distribution Equipment	64,585,161	30,705,318					44,559
5.	45	Computer Equipment	46						0
6.	46		2,738						0
7.	50	Computers	73,833	119,033					0
8.	14.1		4,195,468						0
9.	1b		13,374,084	550,971					0
10.	12			12,517					0
		Totals	102,457,781	32,788,849					44,559

	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 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 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
1.	1	Pre Feb. 2005 Distribution Equipment		19,028,189					19,028,189	
2.	8	General Office/Stores Equipment		534,086			187,976	187,976	534,086	
3.	10	Vehicles		2,065,186			1,213,034	1,213,034	2,065,186	
4.	47	Distribution Equipment		95,245,920			30,705,318	30,705,318	95,245,920	44,559
5.	45	Computer Equipment		46					46	
6.	46			2,738					2,738	
7.	50	Computers		192,866			119,033	119,033	192,866	
8.	14.1			4,195,468					4,195,468	

	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 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 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
9.	1b			13,925,055			550,971	550,971	13,925,055	
10.	12			12,517			12,517		12,517	
		Totals		135,202,071			32,788,849	32,776,332	135,202,071	44,559

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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) (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	Pre Feb. 2005 Distribution Equipment				4	0	0	761,128	18,267,061
2.	8	General Office/Stores Equipment	187,976	93,988		20	0	0	125,615	408,471
3.	10	Vehicles	1,213,034	606,517		30	0	0	801,511	1,263,675
4.	47	Distribution Equipment	30,660,759	15,330,380		8	0	0	8,846,104	86,399,816
5.	45	Computer Equipment				45	0	0	21	25
6.	46					30	0	0	821	1,917
7.	50	Computers	119,033	59,517		55	0	0	138,811	54,055
8.	14.1					5	0	0	293,682	3,901,786
9.	1b		550,971	275,486		6	0	0	852,032	13,073,023
10.	12					100	0	0	12,517	
		Totals	32,731,773	16,365,888					11,832,242	123,369,829

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. Do not include any amount in column 3 in respect of property included in column 5 (see note 6).

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 and it is disposed of to a person or partnership with which you deal at arm's length, 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. The actual cost of the vehicle will be adjusted for payment or repayment of government assistance.

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 amount to enter in column 11 must not exceed the amount in column 10. If it does, enter in column 11 the amount from column 10. If the amount determined in column 10 is zero or a negative amount, enter zero. 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 respectively 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, 15, and 59, 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 (also known as the half-year rule or 50% rule) does not apply to certain property (including AIIP and property included in Classes 54 to 56).
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
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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.	0395518 B.C. Ltd.		12628 4249 RC0001	3					
2.	Aitken Creek Gas Storage ULC		83434 2552 RC0001	3					
3.	BC Gas (Argentina) S.A.	AR	NR	3					
4.	BC Gas (Malaysia) SDN. BHD.	MY	NR	3					
5.	Belize Electrical Company Limited	BZ	NR	3					
6.	Canadian Niagara Power Inc.		87249 8225 RC0002	3					
7.	Caribbean Utilities Company, Ltd.	KY	NR	3					
8.	Central Hudson Electric Transmissic	US	NR	3					
9.	Central Hudson Enterprise Corp.	US	NR	3					
10.	Central Hudson Gas & Electric Corp.	US	NR	3					
11.	Central Hudson Gas Transmission L	US	NR	3					
12.	CH Energy Group Inc.	US	NR	3					
13.	Cornwall Street Railway Light and P		12090 6839 RC0001	3					
14.	Escavada Leasing Company	US	NR	3					
15.	Fortis (WP) GP Inc.		80854 1726 RC0001	3					
16.	Fortis Alberta Holdings Inc.		86921 0203 RC0001	3					
17.	FortisBC LNG Development Inc.		79802 9898 RC0001	3					
18.	Fortis Cayman Inc.	KY	NR	3					
19.	Fortis Energy (Bermuda) Ltd.	BM	NR	3					
20.	Fortis Energy Cayman inc.	KY	NR	3					
21.	Fortis Energy Corporation		10386 4443 RC0001	3					
22.	Fortis Energy International (Belize)	BZ	NR	3					
23.	Fortis Hawaii Energy Inc		78426 6496 RC0001	3					
24.	Fortis Inc.		10185 2416 RC0001	3					
25.	Fortis LNG GP Inc.		80839 2781 RC0001	3					
26.	FortisAlberta Inc.		86929 4520 RC0001	3					
27.	FortisBC Alternative Energy Services		81144 5873 RC0001	3					
28.	FortisBC Energy Inc.		10043 1592 RC0004	3					
29.	FortisBC Holdings Inc.		10534 9740 RC0004	3					
30.	FortisBC Huntington Inc.		12974 2870 RC0001	3					
31.	FortisBC Inc.		10564 5642 RC0001	3					
32.	FortisBC Midstream Inc.		86014 6588 RC0001	3					
33.	FortisBC Pacific Holdings Inc.		87170 9101 RC0001	3					
34.	FortisOntario District Heating Inc.		89329 1740 RC0001	3					
35.	FortisOntario Inc.		10076 8985 RC0003	1					
36.	FortisTCI Limited	TC	NR	3					
37.	FortisUS Holdings Nova Scotia Limit		82872 6091 RC0002	3					
38.	FortisUS Inc.	US	NR	3					
39.	FortisCanada Inc.		87470 8209 RC0001	3					
40.	Inland Energy Corp.		11960 8529 RC0001	3					
41.	Inland Pacific Energy Services		10249 0554 RC0001	3					
42.	International Transmission Compan	US	NR	3					
43.	ITC Equipment, LLC	US	NR	3					

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
44.	ITC Great Plains, LLC	US	NR	3					
45.	ITC Grid Development, LLC	US	NR	3					
46.	ITC Holdings Corp	US	NR	3					
47.	ITC Interconnection LLC	US	NR	3					
48.	ITC Investment Holdings Inc.	US	NR	3					
49.	ITC Lake Erie Connector LLC	US	NR	3					
50.	ITC Lake Erie Holdings LLC	US	NR	3					
51.	ITC Mid-Atlantic Development LLC	US	NR	3					
52.	ITC Midcontinent Development LLC	US	NR	3					
53.	ITC Midwest LLC	US	NR	3					
54.	ITC New York Development LLC	US	NR	3					
55.	ITC Project Holdings LLC	US	NR	3					
56.	ITC South Central Development LLC	US	NR	3					
57.	Maritime Electric Company, Limited		12111 9879 RC0001	3					
58.	MEH Equities Management Compan	US	NR	3					
59.	MEH Storage LLC	US	NR	3					
60.	Michigan Electric Transmission Com	US	NR	3					
61.	Michigan Transco Holdings LLC	US	NR	3					
62.	Millennium Energy Holdings, Inc.	US	NR	3					
63.	Mt. Hayes (GP) Ltd.		84888 3914 RC0001	3					
64.	New York Transmission Holdings Cc	US	NR	3					
65.	Newfoundland Energy Luxembourg	LU	NR	3					
66.	Newfoundland Power Inc.		10386 4831 RC0001	3					
67.	San Carlos Resources Inc.	US	NR	3					
68.	Southwest Energy Solutions, Inc.	US	NR	3					
69.	Terasen International Inc.		13237 5346 RC0001	3					
70.	Tucson Electric Power Company	US	NR	3					
71.	Tucsonel Inc.	US	NR	3					
72.	Turks and Caicos Utilities Limited	TC	NR	3					
73.	Unisource Energy Development Con	US	NR	3					
74.	Unisource Energy Services, Inc.	US	NR	3					
75.	UNS Electric, Inc.	US	NR	3					
76.	UNS Energy Corporation	US	NR	3					
77.	UNS Gas, Inc.	US	NR	3					
78.	Wataynikaneyap Power PM Inc.		80650 3967 RC0001	3					
79.	West Kootenay Power Ltd.		89427 8670 RC0001	3					
80.	Conjuction LLC	US	NR	3					
81.	Empire Connection LLC	US	NR	3					
82.	FortisRT Canada Inc.		70374 2510 RC0001	3					
83.	FortisRT GP Inc.		70374 2718 RC0001	3					
84.	FortisRT LLC1	US	NR	3					
85.	FortisRT LLC2	US	NR	3					
86.	FortisRT LLC3	US	NR	3					
87.	FortisRT LLC4	US	NR	3					
88.	NewfoundlandEnergy Switzerland Lt	CH	NR	3					
89.	NewfoundlandEnergy UK Ltd	GB	NR	3					
90.	1228158 Ontario Limited		88706 8690 RC0001	3					
91.	Tilbury Jetty Limited Partnership		73041 5536 RC0001	3					
92.	Fortis LNG Jetty GP Inc.		79895 4749 RC0001	3					
93.	ITC Energy Solutions LLC	US	NR	3					
94.	14808169 Canada Inc.		73078 4543 RC0001	3					
95.	15423210 Canada Inc.		78496 0353 RC0001	3					

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
96.	13747719 Canada Inc.		74931 7400 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	Accrued Pension Benefit Asset	-3,449,302		-480,794	-138,855	-3,791,241
2	Accrued Post Retirement Benefit	9,745,060		-179,178	-472,960	10,038,842
3						
	Reserves from Part 2 of Schedule 13					
	Totals	6,295,758		-659,972	-611,815	6,247,601

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 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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			
Capital stock (or members' contributions if incorporated without share capital)	103	44,007,781		
Retained earnings	104	20,438,379		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108			
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		64,446,160 ▶	64,446,160	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)	64,446,160	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	64,446,160	

Part 2 – Investment allowance

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

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

Notes:

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

Part 3 – Taxable capital

Capital for the year (line 190)		64,446,160	C
Deduct: Investment allowance for the year (line 490)			D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	64,446,160	

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) 64,446,160 x Taxable income earned in Canada **610** 1,000 / Taxable income 1,000 = **Taxable capital employed in Canada** **690** 64,446,160

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

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

Taxable capital employed in Canada (amount from line 690)		F
Deduct:	10,000,000	G
Excess (amount F **minus** amount G) (if negative, enter "0")		H
Calculation for purposes of the small business deduction (amount H x 0.225%)		I

Enter this amount at line 415 of the T2 return.

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Schedule 510

Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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	190,319,623
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	412,033,581
Total assets (total of lines 112 to 116)		602,353,204
Total revenue of the corporation for the tax year **	142	56,915,101
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	174,416,078
Total revenue (total of lines 142 to 146)		231,331,179

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

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

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

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

Part 2 – Adjusted net income/loss for CMT purposes

	Line			Amount	
Net income/loss per financial statements *			210	5,511,895	
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	242,828			
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		242,828 ▶		242,828	A
Deduct (to the extent reflected in income/loss):					
Provision for recovery of current income taxes/benefit of current income taxes	320	469,958			
Provision for deferred income taxes (credits)/benefit of future income taxes	322				
Equity income from corporations	324				
Financial statement income from partnerships and joint ventures	326				
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330				
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332				
Gain on donation of listed security or ecological gift	340				
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342				
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344				
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346				
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348				
Other deductions (see note below):					
Share of adjusted net loss of partnerships and joint ventures **	328				
Tax payable on dividends under subsection 191.1(1) of the federal Act **multiplied** by 3	334				
Interest deducted/deductible under paragraph 20(1)(c) or (d) of the federal Act, not already included in net income/loss	336				
Patronage dividends paid (from Schedule 16) not already included in net income/loss	338				
381	382				
383	384				
385	386				
387	388				
389	390				
Subtotal		469,958 ▶		469,958	B
Adjusted net income/loss for CMT purposes (line 210 **plus** amount A **minus** amount B)			490	5,284,765	

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

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

Note

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

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

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

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

* **Rules for net income/loss**

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

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

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

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

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

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

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

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

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

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

Part 3 – CMT payable

Adjusted net income for CMT purposes (line 490 in Part 2, if positive)		515	5,284,765	
Deduct:				
CMT loss available (amount R from Part 7)				
Minus: Adjustment for an acquisition of control *	518			
Adjusted CMT loss available		▶		C
Net income subject to CMT calculation (if negative, enter "0")		520	5,284,765	

Amount from line 520 5,284,765 x (Number of days in the tax year before July 1, 2010 ___ / Number of days in the tax year 365) x 4 % = ___ 1

Amount from line 520 5,284,765 x (Number of days in the tax year after June 30, 2010 365 / Number of days in the tax year 365) x 2.7 % = 142,689 2

Subtotal (amount 1 **plus** amount 2) 142,689 3

Gross CMT: amount on line 3 above x OAF **	540	142,689	
Deduct:			
Foreign tax credit for CMT purposes ***	550		
CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0")		142,689	D
Deduct:			
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)			
Net CMT payable (if negative, enter "0")		142,689	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 *		28,418	G		
Deduct:					
CMT credit expired *	600				
CMT credit carryforward at the beginning of the current tax year * (see note below)		28,418	▶ 620	28,418	
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)				28,418	H
Deduct:					
CMT credit deducted in the current tax year (amount P from Part 5)					I
Subtotal (amount H **minus** amount I)				28,418	J
Add:					
Net CMT payable (amount E from Part 3)		142,689			
SAT payable (amount O from Part 6 of Schedule 512)					
Subtotal		142,689	▶	142,689	K
CMT credit carryforward at the end of the tax year (amount J **plus** amount K)			670	171,107	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)				28,418	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)	142,689	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:		142,689	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.

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SCHEDULE 511

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

Name of corporation	Business Number	Tax year-end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

- 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	0395518 B.C. Ltd.	12628 4249 RC0001	0	0
2	Aitken Creek Gas Storage ULC	83434 2552 RC0001	0	0
3	BC Gas (Argentina) S.A.	NR	0	0
4	BC Gas (Malaysia) SDN. BHD.	NR	0	0
5	Belize Electrical Company Limited	NR	0	0
6	Canadian Niagara Power Inc.	87249 8225 RC0002	232,886,084	85,128,227
7	Caribbean Utilities Company, Ltd.	NR	0	0
8	Central Hudson Electric Transmission LLC	NR	0	0
9	Central Hudson Enterprise Corp.	NR	0	0
10	Central Hudson Gas & Electric Corp.	NR	0	0
11	Central Hudson Gas Transmission LLC	NR	0	0
12	CH Energy Group Inc.	NR	0	0
13	Cornwall Street Railway Light and Power Company Lin	12090 6839 RC0001	99,364,753	81,582,102
14	Escavada Leasing Company	NR	0	0
15	Fortis (WP) GP Inc.	80854 1726 RC0001	0	0
16	Fortis Alberta Holdings Inc.	86921 0203 RC0001	0	0
17	FortisBC LNG Development Inc.	79802 9898 RC0001	0	0
18	Fortis Cayman Inc.	NR	0	0
19	Fortis Energy (Bermuda) Ltd.	NR	0	0
20	Fortis Energy Cayman inc.	NR	0	0
21	Fortis Energy Corporation	10386 4443 RC0001	0	0
22	Fortis Energy International (Belize) Inc.	NR	0	0
23	Fortis Hawaii Energy Inc	78426 6496 RC0001	0	0
24	Fortis Inc.	10185 2416 RC0001	0	0
25	Fortis LNG GP Inc.	80839 2781 RC0001	0	0
26	FortisAlberta Inc.	86929 4520 RC0001	0	0
27	FortisBC Alternative Energy Services Inc.	81144 5873 RC0001	0	0
28	FortisBC Energy Inc.	10043 1592 RC0004	0	0

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
29	FortisBC Holdings Inc.	10534 9740 RC0004	0	0
30	FortisBC Huntington Inc.	12974 2870 RC0001	0	0
31	FortisBC Inc.	10564 5642 RC0001	0	0
32	FortisBC Midstream Inc.	86014 6588 RC0001	0	0
33	FortisBC Pacific Holdings Inc.	87170 9101 RC0001	0	0
34	FortisOntario District Heating Inc.	89329 1740 RC0001	43,857	0
35	FortisOntario Inc.	10076 8985 RC0003	79,738,886	7,705,749
36	FortisTCI Limited	NR	0	0
37	FortisUS Holdings Nova Scotia Limited	82872 6091 RC0002	0	0
38	FortisUS Inc.	NR	0	0
39	FortisCanada Inc.	87470 8209 RC0001	0	0
40	Inland Energy Corp.	11960 8529 RC0001	0	0
41	Inland Pacific Energy Services	10249 0554 RC0001	0	0
42	International Transmission Company	NR	0	0
43	ITC Equipment, LLC	NR	0	0
44	ITC Great Plains, LLC	NR	0	0
45	ITC Grid Development, LLC	NR	0	0
46	ITC Holdings Corp	NR	0	0
47	ITC Interconnection LLC	NR	0	0
48	ITC Investment Holdings Inc.	NR	0	0
49	ITC Lake Erie Connector LLC	NR	0	0
50	ITC Lake Erie Holdings LLC	NR	0	0
51	ITC Mid-Atlantic Development LLC	NR	0	0
52	ITC Midcontinent Development LLC	NR	0	0
53	ITC Midwest LLC	NR	0	0
54	ITC New York Development LLC	NR	0	0
55	ITC Project Holdings LLC	NR	0	0
56	ITC South Central Development LLC	NR	0	0
57	Maritime Electric Company, Limited	12111 9879 RC0001	0	0
58	MEH Equities Management Company	NR	0	0
59	MEH Storage LLC	NR	0	0
60	Michigan Electric Transmission Company, LLC	NR	0	0
61	Michigan Transco Holdings LLC	NR	0	0
62	Millennium Energy Holdings, Inc.	NR	0	0
63	Mt. Hayes (GP) Ltd.	84888 3914 RC0001	0	0
64	New York Transmission Holdings Corp.	NR	0	0
65	Newfoundland Energy Luxembourg	NR	0	0

	Names of associated corporations 200	Business number (Canadian corporation only) (see Note 1) 300	Total assets* (see Note 2) 400	Total revenue** (see Note 2) 500
66	Newfoundland Power Inc.	10386 4831 RC0001	0	0
67	San Carlos Resources Inc.	NR	0	0
68	Southwest Energy Solutions, Inc.	NR	0	0
69	Terasen International Inc.	13237 5346 RC0001	0	0
70	Tucson Electric Power Company	NR	0	0
71	Tucsonel Inc.	NR	0	0
72	Turks and Caicos Utilities Limited	NR	0	0
73	Unisource Energy Development Company	NR	0	0
74	Unisource Energy Services, Inc.	NR	0	0
75	UNS Electric, Inc.	NR	0	0
76	UNS Energy Corporation	NR	0	0
77	UNS Gas, Inc.	NR	0	0
78	Wataynikaneyap Power PM Inc.	80650 3967 RC0001	0	0
79	West Kootenay Power Ltd.	89427 8670 RC0001	0	0
80	Conjuction LLC	NR	0	0
81	Empire Connection LLC	NR	0	0
82	FortisRT Canada Inc.	70374 2510 RC0001	0	0
83	FortisRT GP Inc.	70374 2718 RC0001	0	0
84	FortisRT LLC1	NR	0	0
85	FortisRT LLC2	NR	0	0
86	FortisRT LLC3	NR	0	0
87	FortisRT LLC4	NR	0	0
88	NewfoundlandEnergy Switzerland Ltd	NR	0	0
89	NewfoundlandEnergy UK Ltd	NR	0	0
90	1228158 Ontario Limited	88706 8690 RC0001	1	0
91	Tilbury Jetty Limited Partnership	73041 5536 RC0001	0	0
92	Fortis LNG Jetty GP Inc.	79895 4749 RC0001	0	0
93	ITC Energy Solutions LLC	NR	0	0
94	14808169 Canada Inc.	73078 4543 RC0001	0	0
95	15423210 Canada Inc.	78496 0353 RC0001	0	0
96	13747719 Canada Inc.	74931 7400 RC0001	0	0
		Total	450 412,033,581	550 174,416,078

Enter the total assets from line 450 on line 116 in Part 1 of Schedule 510, *Ontario Corporate Minimum Tax*.
Enter the total revenue from line 550 on line 146 in Part 1 of Schedule 510.

Note 1: Enter ¨NR¨ if a corporation is not registered.

Note 2: If the associated corporation does not have a tax year that ends in the filing corporation's current tax year but was associated with the filing corporation in the previous tax year of the filing corporation, enter the total revenue and total assets from the tax year of the associated corporation that ends in the previous tax year of the filing corporation.

*** Rules for total assets**

– Report total assets in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– Include the associated corporation's share of the total assets of partnership(s) and joint venture(s) but exclude the recorded asset(s) for the investment in partnerships and joint ventures.
– Exclude unrealized gains and losses on assets that are included in net income for accounting purposes but not in income for corporate income tax purposes.

**** Rules for total revenue**

– Report total revenue in accordance with generally accepted accounting principles, adjusted so that consolidation and equity methods are not used.
– If the associated corporation has 2 or more tax years ending in the filing corporation's tax year, **multiply** the sum of the total revenue for each of those tax years by 365 and **divide** by the total number of days in all of those tax years.
– If the associated corporation's tax year is less than 51 weeks and is the only tax year of the associated corporation that ends in the filing corporation's tax year, **multiply** the associated corporation's total revenue by 365 and **divide** by the number of days in the associated corporation's tax year.
– Include the associated corporation's share of the total revenue of partnerships and joint ventures.
– If the partnership or joint venture has 2 or more fiscal periods ending in the associated corporation's tax year, **multiply** the sum of the total revenue for each of the fiscal periods by 365 and **divide** by the total number of days in all the fiscal periods.

Corporate Taxpayer Summary

Corporate information

Corporation's name . . . . Algoma Power Inc.

Taxation Year . . . . 2023-01-01 to 2023-12-31

Jurisdiction . . . . Ontario

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

Corporation is associated . . . . Y

Corporation is related . . . . Y

Number of associated corporations . . 96

Type of corporation . . . . Corporation Controlled by a Public Corporation

Total amount due (refund) federal and provincial* 64,689

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

Summary of federal information

Net income	-1,759,358
Taxable income	
Donations	16,363
Calculation of income from an active business carried on in Canada	
Dividends paid	
Dividends paid – Regular	
Dividends paid – Eligible	
Balance of the low rate income pool at the end of the previous year	
Balance of the low rate income pool at the end of the year	
Balance of the general rate income pool at the end of the previous year	
Balance of the general rate income pool at the end of the year	
Part I tax (base amount)	

Credits against Part I tax		**Summary of tax**		**Refunds/credits**	
Small business deduction		Part I		ITC refund	
M&P deductions		Part IV		Dividends refund:	
Foreign tax credit		Part III.1		– Eligible dividends	
Investment tax credits		Other*		– Non-eligible dividends	
Abatement/Other*		Provincial or territorial tax	142,689	Instalments	78,000
				Other*	
				Balance due/refund (–)	64,689

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

Summary of federal carryforward/carryback information

Carryback amounts

Non-capital losses	1,728,346

Carryforward balances

Charitable donations	16,363
Non-capital losses	31,012
Financial statement reserve	6,247,601

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-1,759,358		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***	142,689		
Instalments and refundable credits			
Balance due/Refund (-)	142,689		
Logging Operations Return (COZ-1179)			
Logging tax payable	N/A		N/A

* For Québec, this includes special taxes.

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

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

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario

Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510 171,107

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return	Taxable capital used to calculate line 120 in Schedule 65
Algoma Power Inc.			64,446,160	64,446,160	
0395518 B.C. Ltd.					
Aitken Creek Gas Storage ULC					
BC Gas (Argentina) S.A.					
BC Gas (Malaysia) SDN. BHD.					
Belize Electrical Company Limited					
Canadian Niagara Power Inc.	64,686,879		68,619,233	68,619,233	
Caribbean Utilities Company, Ltd.					
Central Hudson Electric Transmission LLC					
Central Hudson Enterprise Corp.					
Central Hudson Gas & Electric Corp.					
Central Hudson Gas Transmission LLC					
CH Energy Group Inc.					
Cornwall Street Railway Light and Power Company Limited	27,577,797		27,870,557	27,870,557	
Escavada Leasing Company					
Fortis (WP) GP Inc.					
Fortis Alberta Holdings Inc.					
FortisBC LNG Development Inc.					
Fortis Cayman Inc.					
Fortis Energy (Bermuda) Ltd.					

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return	Taxable capital used to calculate line 120 in Schedule 65
Fortis Energy Cayman inc.					
Fortis Energy Corporation					
Fortis Energy International (Belize) Inc.					
Fortis Hawaii Energy Inc					
Fortis Inc.					
Fortis LNG GP Inc.					
FortisAlberta Inc.					
FortisBC Alternative Energy Services Inc.					
FortisBC Energy Inc.					
FortisBC Holdings Inc.					
FortisBC Huntington Inc.					
FortisBC Inc.					
FortisBC Midstream Inc.					
FortisBC Pacific Holdings Inc.					
FortisOntario District Heating Inc.	43,857		43,857	43,857	
FortisOntario Inc.	221,166,222		233,285,974	233,285,974	
FortisTCI Limited					
FortisUS Holdings Nova Scotia Limited					
FortisUS Inc.					
FortisCanada Inc.					
Inland Energy Corp.					
Inland Pacific Energy Services					
International Transmission Company					
ITC Equipment, LLC					
ITC Great Plains, LLC					
ITC Grid Development, LLC					
ITC Holdings Corp					
ITC Interconnection LLC					
ITC Investment Holdings Inc.					
ITC Lake Erie Connector LLC					
ITC Lake Erie Holdings LLC					
ITC Mid-Atlantic Development LLC					
ITC Midcontinent Development LLC					
ITC Midwest LLC					
ITC New York Development LLC					
ITC Project Holdings LLC					
ITC South Central Development LLC					
Maritime Electric Company, Limited					
MEH Equities Management Company					
MEH Storage LLC					
Michigan Electric Transmission Company, LLC					
Michigan Transco Holdings LLC					
Millennium Energy Holdings, Inc.					
Mt. Hayes (GP) Ltd.					
New York Transmission Holdings Corp.					
Newfoundland Energy Luxembourg					
Newfoundland Power Inc.					
San Carlos Resources Inc.					
Southwest Energy Solutions, Inc.					
Terasen International Inc.					
Tucson Electric Power Company					
Tucsonel Inc.					
Turks and Caicos Utilities Limited					

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return	Taxable capital used to calculate line 120 in Schedule 65
Unisource Energy Development Company					
Unisource Energy Services, Inc.					
UNS Electric, Inc.					
UNS Energy Corporation					
UNS Gas, Inc.					
Wataynikaneyap Power PM Inc.					
West Kootenay Power Ltd.					
Conjuction LLC					
Empire Connection LLC					
FortisRT Canada Inc.					
FortisRT GP Inc.					
FortisRT LLC1					
FortisRT LLC2					
FortisRT LLC3					
FortisRT LLC4					
NewfoundlandEnergy Switzerland Ltd					
NewfoundlandEnergy UK Ltd					
1228158 Ontario Limited	1		1	1	
Tilbury Jetty Limited Partnership					
Fortis LNG Jetty GP Inc.					
ITC Energy Solutions LLC					
14808169 Canada Inc.					
15423210 Canada Inc.					
13747719 Canada Inc.					
Total	313,474,756		394,265,782	394,265,782	

Québec

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

Ontario

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

Alberta

Corporate name	Taxable capital used to calculate the Alberta innovation employment grant (Schedule A29)
Total	

Other provinces

Corporate name	Capital used to calculate the Newfoundland and Labrador capital deduction on financial institutions (Schedule 306)	Capital used to calculate the Nova Scotia basic capital deduction on financial institutions (Schedule 353)
Total		

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**	**2019-12-31**
Net income	-1,759,358	938,364	2,410,359	2,133,787	904,381
Taxable income		925,101	2,387,147	2,112,624	855,078
Active business income		938,364	2,410,359	2,133,787	904,381
Dividends paid					
Dividends paid – Regular					
Dividends paid – Eligible					
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year					
GRIP – end of the year					
Donations	16,363	13,263	23,212	21,163	49,303
Balance due/refund (-)	64,689	-74,430	92,594	296,289	-79,647
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**	**2019-12-31**
Taxable income before loss carrybacks	N/A	N/A	2,387,147	2,112,624	855,078
Non-capital losses	N/A	N/A			
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted taxable income after loss carrybacks	N/A	N/A	2,387,147	2,112,624	855,078

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

Taxation year end	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**	**2019-12-31**
Adjusted taxable income before current year loss carrybacks*	N/A	925,101	2,387,147	2,112,624	N/A
Non-capital losses	N/A			1,728,346	N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A			1,728,346	N/A
Adjusted taxable income after loss carrybacks	N/A	925,101	2,387,147	384,278	N/A

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

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

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before loss carrybacks	N/A	N/A			
Non-capital losses	N/A	N/A			
Farm losses	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A	N/A			

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

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Adjusted Part IV tax multiplied by the multiplication factor**, before current-year loss carrybacks***	N/A				N/A
Non-capital losses	N/A				N/A
Farm losses	N/A				N/A
Total current year losses carried back to prior years	N/A				N/A
Adjusted Part IV tax multiplied by the multiplication factor**, after loss carrybacks	N/A				N/A

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

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

Federal taxes

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Part I		138,765	358,072	316,894	128,262
Part IV					
Part III.1					
Other*					

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

Credits against Part I tax

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Small business deduction					
M&P deductions					
Foreign tax credit					
Investment tax credit					
Abatement/other*		212,773	549,044	485,903	196,668

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

Refunds/credits

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	78,000	348,000	540,000	250,000	319,800
Other*					

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

Ontario

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Net income	-1,759,358	938,364	2,410,359	2,133,787	904,381
Taxable income		925,101	2,387,147	2,112,624	855,078
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income		925,101	2,387,147	2,112,624	855,078
Surtax					
Income tax payable before deduction		106,387	274,522	242,952	98,334
Income tax deductions /credits				13,557	
Net income tax payable		106,387	274,522	229,395	98,334
Taxable capital					
Capital tax payable					
Total tax payable*	142,689	134,805	274,522	229,395	111,891
Instalments and refundable credits					
Balance due/refund**	142,689	134,805	274,522	229,395	111,891

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

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

Attached Notes – Summary

Name of the cell Federal – Additions (property subject to subsection 1100(2) ITR Form Sch. 8 - Capital cost allowance (CCA) workchart

Algoma Power Inc. is electing under subsection 1101 (5b.1) of the Income Tax Regulations to have the cost of the addition of $14,696,796 to the non-residential building included in a separate class 1. The additions were made during the taxation year ended December 31, 2022.

johnsenc - 2023-06-16

Keep this note when rolling forward the file X

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

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1. Basis of accounting and summary of significant accounting policies
Algoma Power Inc. ("API" or the "Company") is engaged in the distribution of electricity to the area adjacent to Sault Ste. Marie, Ontario and is subject to the regulations of the Ontario Energy Board ("OEB").
API operated as a division of Great Lakes Power Limited ("GLPL") from January 1, 2009 to June 30, 2009. In order to comply with Section 71 of OEB regulatory requirements, GLPL split out its distribution division by creating a separate legal entity called
Great Lakes Power Distribution Inc. ("GLPDI"). This entity began operating as a separate legal entity effective July 1, 2009. On October 8, 2009, there was a change of control as FortisOntario Inc. (the "Parent") acquired 100% of the shares of GLPDI and changed the name to Algoma Power Inc.
(a) Basis of accounting
These financial statements have been prepared in accordance with the accounting standards for private enterprises ("ASPE"), as per Part II of the CPA Handbook - Accounting, which constitutes generally accepted accounting principles for non-publicly accountable enterprises in Canada.
(b) Significant accounting policies
Regulation
The distribution rates of API are based upon cost-of-service ("CoS") rate regulation by the OEB. Earnings are regulated on the basis of a rate of return on rate base plus a recovery of all allowable distribution costs.
API is subject to Ontario Regulation 335/07, which is the Rural and Remote Rate Protection subsidy program ("RRRP"). The RRRP is calculated as the deficiency between the approved revenue requirement from the OEB and current customer distribution rates adjusted for the average rate increase across the Province of Ontario. API qualifies for this subsidy because it has less than seven customers per kilometer and a service area that extends beyond 10,000 kilometers. All general service and large customer classes have been reclassified as residential class under Ontario Regulation 445/07.
Beginning with electricity distribution rates effective in 2016, decoupling of electricity distribution rates for the Residential customer class was being introduced; complete decoupling was achieved for rates effective January 1, 2023 for residential customers and is projected to be achieved for seasonal customers for rates effective in 2027.
On August 18, 2021, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2022, based on Fourth Generation Incentive Rate Mechanism ("4GIRM"). A Decision and Order was issued December 9, 2021 that approved the net price cap index adjustment for API of 2.70% (Inflation factor net of a productivity and stretch factor 3.30% - (0% + 0.60%)). The 2.70% adjustment was applied to distribution rates for the Seasonal and Street Lighting customer classes. A Rural and RRRP adjustment factor of 3.28% was applied to the distribution rates for the Residential R-1 and Residential R-2 classes.
1. Basis of accounting and summary of significant accounting policies (continued) (b) Significant accounting policies (continued)
Regulation (continued)
On August 3, 2022, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2023, based on 4GIRM. A Decision and Order was issued December 8, 2022 that approved the net price cap index adjustment for API of 3.10% (Inflation factor net of a productivity and stretch factor
3.70% - (0% + 0.60%)). The 3.10% adjustment was applied to distribution rates for the Seasonal and Street Lighting customer classes. A Rural and RRRP adjustment factor of 3.11% was applied to the distribution rates for the Residential R-1 and Residential R-2 classes. The Decision and Order also

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

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approved API requests to recover $33 in 2018-2022 lost revenue from energy conservation programs (LRAMVA).

On August 17, 2023, API filed an application with the OEB seeking approval to change electricity distribution rates, effective January 1, 2024, based on 4GIRM. A Decision and Order was issued December 7, 2023 that approved the net price cap index adjustment for API of 4.20% (Inflation factor net of a productivity and stretch factor
4.80% - (0% + 0.60%)). The 4.20% adjustment was applied to distribution rates for the Seasonal and Street Lighting customer classes. A Rural and RRRP adjustment factor of 3.54% was applied to the distribution rates for the Residential R-1 and Residential R-2 classes.Materials and supplies

Materials and supplies are recorded at average cost. Materials and supplies expensed to operating expense in 2023 were $34 ($92 in 2022).

Utility capital assets and capitalization policy

Distribution assets are those used to distribute electricity at lower voltages (generally below 50 kilovolts). These assets include poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

The service life range and average remaining service life of the utility capital assets are as follows:

	Service life range (years)	Average remaining service life (years)
Distribution	10 to 50	38.1
Other	5 to 20	5.6

Utility capital assets are stated at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the utility capital assets using the straight line method at a composite rate 2.2% (2.2% in 2022).

Contributions in aid of construction represent funding of utility capital assets contributed by customers. These accounts are being reduced annually by an amount equal to the charge for amortization provided on the contributed portion of the assets involved.

1. Basis of accounting and summary of significant accounting policies (continued)(b) Significant accounting policies (continued)

Utility capital assets and capitalization policy (continued)

Capitalization policy

The Company's capitalization policy is in accordance with the OEB's requirements to use a "modified IFRS" accounting basis to allow for more consistency amongst electricity distribution utilities in Ontario and this includes having asset useful lives that align with guidelines, and certain directly attributable costs that are capitalized while general overhead costs are not.Intangible assets

Intangible assets are stated at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the intangible assets using the straight-line method.

The service life range and average remaining service life of the intangible assets are as follows:

	Service life range (years)	Average remaining service life (years)
Software costs	5	2.9
Land rights and other	10 to 45	24.8

Revenue recognition

Revenue from the distribution of electricity is recognized on the accrual basis. Electricity is metered upon delivery to customers and is recognized as

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

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Notes to the financial statements

revenue using approved rates when consumed. Meters are read periodically and bills are issued to customers based on these readings. At the end of the year, a certain amount of consumed electricity will not have been billed. Electricity that is consumed but not yet billed to the customers is estimated and accrued as revenue in the current year. Other revenue is recognized when services are provided and the customer takes ownership and assumes risk of loss in accordance with customer contracts, collection of the related receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Amounts received for future services are deferred until the service is provided.
Unbilled revenue included in accounts receivable as at December 31, 2023 is $3,288 ($3,473 in 2022).Foreign currency translation
Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the balance sheet date. Gains and losses on translation are included in the statement of earnings. Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the transaction date.
1.   Basis of accounting and summary of significant accounting policies (continued)(b)   Significant accounting policies (continued)
Employee benefit plans
The cost of the Company's defined benefit pension plans is determined periodically by independent actuaries. The Company has chosen an accounting policy to measure its defined benefit plan obligations using the funding valuation approach. This approach uses the most recent completed actuarial valuations prepared for funding purposes as the basis of measuring defined benefit plan obligations. As well, the Company is using a roll-forward technique in the years between valuations to estimate the defined benefit plan obligations. Pension plan assets are valued at fair value as at the balance sheet date.
In 2013, the Company made an application to the OEB to allow recognition of regulatory assets related to unamortized amounts, and restatement of prior years' pension and other retirement benefit expenses, that would otherwise be collected from customers through rates in subsequent years. In December 2013, the OEB issued a Decision and Order approving the establishment of specific deferral accounts to recognize these amounts as long-term regulatory assets, which will be disposed of in future CoS proceedings, subject to the OEB's prudence review at that time. As well, the Company reversed previously recognized future income tax liabilities related to the changes in the pension and other retirement benefit liabilities as of January 1, 2014. The Corporation recognized offsetting regulatory liabilities related to the future income taxes expected to be recovered from customers in future electricity rates as of January 1, 2014.
The Company made an application to the OEB to continue to account for pension and other retirement benefits under the former Section 3461.
In December 2013, the OEB issued a Decision and Order approving the establishment of specific variance accounts as of January 1, 2013, to recognize the difference in expense between Sections 3461 and 3462 as long-term regulatory assets or liabilities for 2013 and future years, which will be disposed of in future CoS proceedings, subject to the OEB's prudence review at that time.Income taxes
The Company follows the future income taxes method of accounting for income taxes. Under this method, future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities. Future tax assets and liabilities are measured using the enacted and the substantively enacted tax rates expected to apply to

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

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Notes to the financial statements

taxable income in the period in which temporary differences are expected to be recovered or settled. The Company recognizes regulatory assets and liabilities related to future income tax liabilities and assets for the amount of future income taxes expected to be recovered from customers in future electricity rates.Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

1. Basis of accounting and summary of significant accounting policies (continued)(b) Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Company recognizes an impairment loss, if any, in net earnings when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.Use of estimates

The preparation of financial statements in conformity with ASPE requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Unbilled revenue, valuation of pension and post-retirement obligations, amortization, and income taxes are specific areas where the use of estimates and assumptions are significant. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Utility capital assets

Utility capital assets consist of the following:

2. Utility capital assets (continued)

The amounts above include assets under construction, which are not subject to amortization, of $9,541 ($17,990 in 2022).3. Intangible assets

Intangible assets consist of the following:

4. Employee future benefits

The Company maintains a defined benefit pension plan and a defined contribution pension plan providing pension benefits, and defined benefit plans providing other retirement benefits.

Information about API's benefit plans is as follows:

The measurement date for the plan assets and the accrued benefit obligation

Corporation's name	Business number	Tax year end Year Month Day
Algoma Power Inc.	82249 4290 RC0001	2023-12-31

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Notes to the financial statements

was as at December 31, 2023. The effective date of the most recent actuarial valuation was as at December 31, 2022 and the date of the next required valuation for funding purposes is as at December 31, 2025, and will be completed by September 2026. The measurement date for other retirement plans was as at December 31, 2023. The effective date of the most recent actuarial valuation was as at December 31, 2021.
The plan assets held at the measurement date are represented by the following categories:
As at December 31, 2023, one of the defined benefit pension plans had a net accrued benefit liability of $86 ($88 in 2022). This plan had no plan assets in 2023 or 2022.4. Employee future benefits (continued)

The total expense for the Company's defined contribution pension plan for the year amounted to $166 ($139 in 2022).5. Income taxes
The following is a reconciliation of the combined statutory income tax rate to the effective income tax rate:
The provision for income taxes consists of the following:

5. Income taxes (continued)
Future tax assets (liabilities) are comprised of the following:

6. Related party transactions
During the year, the Company entered into transactions with related parties summarized as follows:
These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.
As at December 31, the amounts due to related parties are summarized as follows:
6. Related party transactions (continued)
A promissory note of $12,750 due to the Parent company bears interest at 4.13% and is payable on demand. There are no specific terms of repayment for this note.Details of relationships with related parties are as follows:
. The Company is owned 100% by FortisOntario Inc., which itself is a wholly owned subsidiary of Fortis Inc.
. Cornwall Street Railway, Light and Power Company Limited is a wholly owned subsidiary of FortisOntario Inc.
. Canadian Niagara Power Inc. is a wholly owned subsidiary of FortisOntario Inc.7. Loans payable
Loans payable consists of the following:

Interest expense on loan payable for the year was $1,239 ($440 in 2022).
Loans payable authorized under the Company's credit facility agreements, which is shared among the subsidaries of FortisOntario Inc., have covenants that restrict the issuance of additional debt such that subsidiary debt cannot exceed 75% of their respective capital structures as defined in the agreements. As at December 31, 2023, the Company was in compliance with their debt covenants (in compliance in 2022).8. Long-term debt
Long-term debt consists of the following:

The senior unsecured notes bear interest at 5.118% and are repayable at maturity on December 16, 2041. The senior unsecured notes were issued on December 16, 2011 and interest is payable semi-annually. Interest expense for the year amounted to $2,661 ($2,661 in 2022). The Company incurred debt issue costs in 2011 of $499 that are being amortized over the term of the loan. As at December 31, 2023, the accumulated amortization amounted to $200 ($182 in

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2022).8. Long-term debt (continued)
The Company's long-term debt obligations and credit facility agreements have covenants that restrict the issuance of additional debt such that debt cannot exceed 75% of their capital structures as defined in the agreements. As at December 31, 2023, the Company was in compliance with its debt covenants (in compliance in 2022).9. Capital stock
The authorized and issued shares consist of 90,831,810 common shares without par value.10. Amortization
Amortization consists of the following:

Vehicle amortizatiogn is allocated to utility capital assets and operating expenses on a labour distribution basis.11. Statement of cash flows
The net change in non-cash working capital balances related to operations consists of the following:
11. Statement of cash flows (continued)
Supplemental cash flow information:

The restricted cash is a deposit held by the Ministry of Environment for a Certificate of Approval.12. Financial risk management
The Company is primarily exposed to credit risk, liquidity risk and market risk as a result of holding financial instruments in the normal course of business.
Credit risk - Risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument.
Liquidity risk - Risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.
Market risk - Risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.Credit risk
For cash and accounts receivable due from customers, API's credit risk is limited to the carrying value on the balance sheet.
API is exposed to credit risk from its distribution customers but has various policies to minimize this risk. These policies include requiring customer deposits, performing disconnections and using third-party collection agencies for overdue accounts. API has a large and diversified distribution customer base which minimizes the concentration of credit risk.
The aging of the Company's trade and other receivables due from customers is as follows:
Liquidity risk
Liquidity risk to API is minimized since the financing of regulated capital and other expenditures is done through internally generated funds. These funds are a result of allowable rate regulated returns and recoveries under the OEB rate regulations mechanism.
12. Financial risk management (continued)
Liquidity risk (continued)
API is a subsidiary of the Parent, which is a wholly owned by Fortis Inc., a large investor owned utility, which has had the ability to raise sufficient and cost-effective financing. However, the ability to arrange financing on a go-forward basis is subject to numerous factors, including the results of operations and financial position of Fortis Inc. and its subsidiaries, conditions in the capital and bank credit markets, ratings assigned by rating agencies and general economic conditions.
To mitigate any liquidity risk, the Company is a party to a committed revolving and
non-revolving credit facilities and letters of credit facilities totaling $90,000 ($65,000 in 2022), of which $30,700 ($17,700 in 2022) was unused. The revolving credit facilities and letters of credit facilities are renewed on

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an annual basis. Loans payable (see Note 7) are renewed on a rolling 30-day period from time to time as needed by the Company. This credit agreement is shared among the subsidiaries of the Parent and is renewed on an annual basis.
The following summary outlines the credit facilities among the subsidiaries of FortisOntario Inc:
The facility is guaranteed by the Parent company and the revolving credit facilities bear interest at the bankers' acceptance rate plus 1.00% in the case of bankers' acceptances while the
non-revolving credit facility bears interest at bankers' acceptance plus 0.75%, and at the bank's prime lending rate plus 0.20% in the case of bank loans.
The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31:
12. Financial risk management (continued)
Liquidity risk (continued)

Market risk
Interest rate risk
Long-term debt is at fixed interest rates thereby minimizing cash flow and interest rate fluctuation exposure. The Company is primarily subject to risks associated with fluctuating interest rates on its short-term borrowings.
Short-term borrowings for 2023 is $25,000 ($20,000 in 2022).
13. Capital management
API manages its capital to approximate the deemed capital structure reflected in the utility's customer rates or anticipated future rates. API's distribution rates effective on January 1, 2020 are based on a deemed capital structure of 60% debt and 40% equity. API's capital structure consists of third-party debt, affiliate debt and common equity, but excludes unamortized debt issue costs.The managed capital is as follows:

14. Regulatory assets and liabilities
Regulatory liabilities net of regulatory assets arise as a result of regulatory requirements.
The Company pays the cost of power on behalf of its customers and recovers these costs through retail billings to its customers. The cost of power includes charges for transmission, wholesale market operations and the power itself from Ontario's Independent Electricity System Operator. The balance of the retail settlement variance account represents the costs that have not been recovered from, or settled through, customers as of the balance sheet date.
The OEB's Distribution Rate Handbook and Accounting Procedures Handbook allow these costs to be deferred and recovered through future rate adjustments as discussed in Note 1. In the absence of rate regulation, these costs would be expensed in the period they are incurred.
14. Regulatory assets and liabilities (continued)
The OEB has the general power to include or exclude costs, revenues, gains or losses in the rates of a specific period, resulting in the timing of revenue and expense recognition that may differ in the Company's regulated operations from those otherwise expected in non-regulated businesses. This change in timing gives rise to the recognition of regulatory assets and liabilities.
The Company continually assesses the likelihood of recovery of its regulatory assets and believes that its regulatory assets and liabilities will be factored into the setting of future rates as discussed in Note 1. If future recovery through rates is no longer considered probable, the appropriate carrying amount will be written off in the period that the assessment is made.
In 2019, the OEB directed all regulated utilities to recognize a regulatory

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liability for any cash tax savings related to the new accelerated capital cost allowance rules enacted by the federal government in late 2018. As at December 31, 2019, the Company is no longer required to track variances related to accelerated capital cost allowance as approved in the Decision and Order issued for the Company's 2020 CoS. API has recorded variances related to accelerated capital cost allowance for it's two ACM projects.

In the Decision and Order for API's 2020 CoS, the OEB approved the recovery over five years of certain costs associated with the interim operation of DLI's distribution system along with transaction costs totaling $618. API's revenue requirement was increased by $124 and entries are being recorded to "Other regulatory adjustments" for the amortization of the approved DLI costs.

The "Other regulatory adjustments" on the statement of earnings and retained earnings are summarized as follows:

In API's 2020 CoS, 2 capital projects were identified that meet the criteria as being eligible for Advanced Capital Module ("ACM") treatment. In 2022, API completed construction on the first project, the new office building in Sault Ste Marie. The capital costs amounted to $15,814 with amortization of $28, while $1,082 was collected through a combination of RRRP funding and rate riders. In 2023, an additional $640 in capital costs was incurred, while amortization on the project was $346 and $1,077 was collected through a combination of RRRP funding and rate riders. In 2023, construction was completed on the second ACM project, the Echo River substation. The capital costs amounted to $10,852 with amortization of $100, while $554 was collected through a combination of RRRP funding and rate riders. In accordance with OEB accounting guidance, both the capitalized cost and accumulated amortization and amortization expense along with amounts collected to date have been recorded in long-term regulatory assets and will remain recorded there until the next CoS rebase in 2025 where final approval will be requested.

14. Regulatory assets and liabilities (continued)

API recorded the following regulatory assets and liabilities as at December 31: