

# **EXHIBIT 6**

# **REVENUE REQUIREMENT**

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## 6 Revenue Requirement and Revenue Deficiency or Sufficiency

### 6.0 Overview

The information in this Exhibit supports Welland Hydro-Electric System Corp.'s ("WHESC") request in this Application for an increase in its Revenue Requirement to support the proposed capital and operating budgets for 2025, to service debt, to pay deemed PILs and to provide the allowed Return on Equity.

WHESC has included the following information in this Exhibit, excluding energy costs (i.e. cost of power and associated costs) and revenue:

- Determination of Net Utility Income: Section 6.0.1
- Statement of Rate Base: Section 6.0.2
- Actual Return on Rate Base: Section 6.0.3
- Indicated Rate of Return: Section 6.0.4
- Requested Rate of Return: Section 6.0.5
- Gross Deficiency in Revenue: Section 6.0.6
- Cost Drivers on Rate Deficiency: Section 6.0.7

The calculations on which this determination is based are set out below. The Revenue Deficiency calculation does not include the following:

- Recovery of Deferral and Variance Accounts
- Other electricity charges which include Energy Commodity, Transmission Charges and Wholesale Market Service Charges

These items are considered elsewhere in this Application and are treated either as recoveries of regulatory assets or regulatory liabilities on the Balance Sheet, or as energy related costs recorded in OEB-prescribed Retail Settlement Variance Accounts, as seen in Exhibit 9.

WHESC has determined that the Revenue Deficiency for the 2025 Test Year is \$189,836, as outlined in Table 6-1 below. The deficiency is calculated as the difference between the 2025 Test Year Revenue Requirement of \$13,845,188 and the forecast 2025 billing determinants applied against 2024 approved rates, at \$13,655,352.

**Table 6-1: Revenue Deficiency Determination**

Description	2025 Test Year Existing Rates	2025 Test Year Required Revenue
Revenue Deficiency	-	189,836
Distribution Revenue	12,716,749	12,716,749
Other Operating Revenue (Net)	938,603	938,603
Total Revenue	13,655,352	13,845,188

WHESC's Revenue Requirement consists of the following:

- Operations, Maintenance, and Administration ("OM&A") Expenses
- Depreciation Expense
- PILs
- Regulated Return on Capital (Deemed Interest & Return on Equity)

WHESC's Revenue Requirement is primarily received through electricity distribution rates and offset by revenue from Board approved specific service charges, late payment charges, interest, and other operating income. The composition of WHESC's revenue requirement is shown in Table 6-2 below.

**Table 6-2: Revenue Requirement**

Description	2025 Test Year
OM&A, including LEAP	8,823,658
Depreciation	2,095,996
Regulated Return on Capital	2,609,932
PILs	315,602
Service Revenue Requirement	13,845,188
Less: Revenue offsets	- 938,603
Revenue Requirement	12,906,586

WHESC has included the OEB's Revenue Requirement Work Form ("RRWF") as Attachment 6-A of the Exhibit and has also filed a live excel version.

WHESC has ensured that the numbers entered in the RRWF reconcile with the appropriate numbers in other Exhibits of this application.

### 6.0.1 Determination of Net Utility Income

As per Tab 5 of the RRFW Model, WHESC proposes a 2025 Test Year Net Income of \$1,697,328. Table 6-3 below provides the detailed Net Income calculation for the 2025 Test Year.

**Table 6-3: Utility Net Income**

Description	2025 Test Year
<b>Operating Revenues</b>	
Distribution Revenue	12,906,586
Other Revenue	938,603
Total Revenue	13,845,188
<b>Operating Expenses</b>	
OM&A Expenses	8,823,658
Depreciation Expenses	2,095,996
Deemed Interest	912,604
Total Costs and Expenses	11,832,258
Utility income before income taxes	2,012,930
Income Taxes (grossed-up)	315,602
Utility Net Income	1,697,328

### 6.0.2 Statement Of Rate Base

A summary of WHESC's Rate Base for the 2025 Test Year, calculated on WHESC's deemed capital structure in accordance with the OEB Filing Requirements, is summarized in Table 6-4. WHESC's Rate Base is \$46,072,961. Additional details of the calculation of Rate Base and Working Capital can be found in Exhibit 2.

**Table 6-4: Rate Base Calculation**

Details	2025 Test Year
<b>Net Fixed Assets</b>	
Opening Fixed Assets Balance	40,572,969
Closing Fixed Assets Balance	43,496,974
Average Net Fixed Assets	42,034,971
Working Capital Allowance (7.5%)	4,037,990
Total Rate Base	46,072,961

### 6.0.3 Actual Utility Return on Rate Base

WHESC's Return on Rate Base is calculated based on 60% debt and 40% equity in accordance with the Board's Filing Requirements. Table 6-5 below summarizes the computation of WHESC's 2025 Test Year Return at Existing Rates and the 2025 Test Year Return at Proposed Rates in order to achieve the Required Revenue.

**Table 6-5: Return on Rate Base**

Details	2025 Test Year - Indicated Rate of Return	2025 Test Year - Requested Rate of Return
<b>Actual Rate Base</b>		
Rate Base	46,072,961	46,072,961
Interest Expense	912,604	912,604
Net Income	1,557,798	1,697,328
Actual Return on Rate Base	2,470,402	2,609,932
Weighted Average Cost of Capital	5.36%	5.66%
<b>Required Return on Rate Base</b>		
Rate Base	46,072,961	46,072,961
Return on Rates:		
Return on Debt (weighted) %	3.30%	3.30%
Return on Equity %	9.21%	9.21%
Deemed Interest Expense	912,604	912,604
Return on Equity	1,697,328	1,697,328
Required Total Return	2,609,932	2,609,932
Required Return on Rate Base	5.66%	5.66%

#### 6.0.4 Indicated Rate of Return

WHESC's 2025 Indicated Rate of Return of 5.36% is presented in Table 6-5 above and is calculated as the sum of Utility Net Income and Deemed Interest Expense divided by Utility Rate Base. The indicated rate of return is calculated using the 2025 Test Year load forecast at existing rates.

#### 6.0.5 Requested Rate of Return

WHESC has determined its requested Rate of Return to be 5.66%, or \$2,609,932, as shown in Table 6-5 above. The requested rate of return is calculated using the 2025 Test Year load forecast at the requested rates.

#### 6.0.6 Gross Revenue Deficiency

WHESC has provided a detailed calculation supporting its 2025 Revenue Deficiency in Table 6-6 below. There have been no significant methodology changes to revenue deficiency/sufficiency. WHESC's Revenue Deficiency for the 2025 Test Year is \$189,836.



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**Table 6-6: Revenue Deficiency Determination**

Description	2025 Test Year at Existing Rates	2025 Test Year at Proposed Rates
<b>Revenue</b>		
Revenue Deficiency		189,836
Distribution Revenue	12,716,749	12,716,749
Other Operating Revenue Offsets	938,603	938,603
Total Revenue	13,655,352	13,845,188
<b>Expenses</b>		
OM&A Expenses	8,823,658	8,823,658
Depreciation Expense	2,095,996	2,095,996
Deemed Interest	912,604	912,604
Total Cost and Expenses	11,832,258	11,832,258
Utility Income Before Income Taxes	1,823,094	2,012,930
Tax Adjustments	- 821,978	- 821,978
Taxable Income	1,001,116	1,190,952
Income Tax Rate	26.5%	26.5%
Income Tax on Taxable Income	265,296	315,602
Income Tax Credits	-	-
Utility Net Income	1,557,798	1,697,328
Utility Rate Base	46,072,961	46,072,961
Deemed Equity Portion of Rate Base	18,429,184	18,429,184
Income/(Equity Portion of Rate Base)	8.45%	9.21%
Target Return - Equity on Rate Base	9.21%	9.21%
(Deficiency)/Sufficiency in Return on Equity	-0.76%	
Indicated Total Rate of Return	5.36%	5.66%
Requested Total Rate of Return on Rate Base	5.66%	5.66%
(Deficiency)/Sufficiency in Rate of Return	-0.30%	
Target Return on Equity	2,609,932	2,609,932
Revenue Deficiency Before Tax	139,530	0
Gross Revenue Deficiency After Tax	189,836	

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### 3 6.0.7 Cost Drivers on Revenue Deficiency

4 Table 6-7 below outlines the contributors to the Revenue Deficiency by Revenue Requirement component.  
5 Column A lists the 2017 Approved amounts. Column B lists the 2025 Revenue at Existing Rates shown in  
6 Table 6-6 allocated to Revenue Requirement component based on the proportions in Column A. It is

WHESC's view that Column B estimates the Revenue Requirement components for revenue at existing rates based on the components assumed in existing rates. Column C lists the 2025 Proposed Components. Finally, Column D represents the difference between Column C and Column B which provides an estimate of the revenue requirement components for the Revenue Deficiency of \$189,836. Column B does not represent actual costs and depicts 2025 revenues at existing rates allocated in proportion to 2017 Board Approved.

**Table 6-7: Revenue Deficiency by Revenue Requirement Component**

Description	2017 Approved (A)	2025 Revenue at Existing Rates Allocated in Proportion to 2017 Approved (B)	2025 Proposed (C)	Revenue Deficiency (D=C - B)
OM&A	6,800,000	9,090,949	8,823,658	- 267,290
Depreciation	1,415,729	1,892,694	2,095,996	203,302
PILs	91,096	121,787	315,602	193,816
Return on Debt	725,013	969,273	912,604	- 56,669
Return on Equity	1,182,321	1,580,650	1,697,328	116,678
Total	10,214,159	13,655,352	13,845,188	189,836

Description	2017 Approved (A)		2025 Proposed (C)	Difference (C - A)
Rate Base	33,665,167		46,072,961	12,407,794

WHESC's proportion of cost drivers has changed since the 2017 COS. A main contributor to the revenue deficiency of \$189,836 is depreciation, which is a result of capital spending since 2017. The growth in capital has increased WHESC's rate base, which combined with updated cost of capital parameters, has increased its Return on Equity. Additional details on WHESC's rate base and capital can be seen in Exhibit 2.

## 6.0.8 Change in Methodology

WHESC has not made any changes in methodologies to determine deficiency/sufficiency.

## 6.1 Revenue Requirement Work Form

WHESC has included the OEB's Revenue Requirement Workform ("RRWF") as Attachment 6-A of this Exhibit and has also included the RRWF in live excel format.

The 2024 Bridge Year forecast of distribution revenue at existing rates, including transformer allowance, is \$12,724,029 as shown in Table 6-8 below.

**Table 6-8: Calculation of 2024 Bridge Year Forecast at Existing Rates**

Rate Class	Current Fixed Rate	Current Variable Rate	Annual kWh	Annual kW	Customer/ Connection Count	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Revenue Including Transformer Allowance
Residential	\$ 32.35		184,759,792		23,762	\$ 9,224,326		\$ 9,224,326
General Service < 50kW	\$ 36.94	\$ 0.0109	56,052,591		1,857	\$ 823,210	\$ 610,973	\$ 1,434,183
General Service > 50kW	\$ 336.30	\$ 3.6264	136,879,400	375,641	140	\$ 563,450	\$ 1,362,225	\$ 1,925,675
Sentinel Lighting	\$ 4.53	\$ 10.1625	400,619	1,105	326	\$ 17,734	\$ 11,231	\$ 28,965
Street Lighting	\$ 0.71	\$ 3.0103	1,465,852	4,111	7,400	\$ 63,047	\$ 12,375	\$ 75,422
Unmetered Scattered Load	\$ 12.32	\$ 0.0081	827,752		194	\$ 28,753	\$ 6,705	\$ 35,458
Distribution Revenue						\$ 10,720,521	\$ 2,003,509	\$ 12,724,029

The 2025 Test Year forecast of distribution revenue at existing rates, including transformer allowance, is \$12,836,907 as shown in Table 6-9 below.

**Table 6-9: Calculation of 2025 Test Year Forecast at Existing Rates**

Rate Class	Current Fixed Rate	Current Variable Rate	Annual kWh	Annual kW	Customer/ Connection Count	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Revenue Including Transformer Allowance
Residential	\$ 32.35		187,443,401		24,119	\$ 9,362,810		\$ 9,362,810
General Service < 50kW	\$ 36.94	\$ 0.0109	56,382,524		1,869	\$ 828,454	\$ 614,570	\$ 1,443,023
General Service > 50kW	\$ 336.30	\$ 3.6264	134,534,275	369,205	137	\$ 554,005	\$ 1,338,886	\$ 1,892,891
Sentinel Lighting	\$ 4.53	\$ 10.1625	382,432	1,055	311	\$ 16,929	\$ 10,721	\$ 27,650
Street Lighting	\$ 0.71	\$ 3.0103	1,478,639	4,147	7,464	\$ 63,597	\$ 12,483	\$ 76,080
Unmetered Scattered Load	\$ 12.32	\$ 0.0081	804,273		189	\$ 27,938	\$ 6,515	\$ 34,452
Distribution Revenue						\$ 10,853,732	\$ 1,983,174	\$ 12,836,907

The 2025 Test Year forecast of distribution revenue at proposed rates, including transformer allowance, is \$12,906,586 as shown in Table 6-10 below.

**Table 6-10: Calculation of 2025 Test Year Forecast at Proposed Rates**

Rate Class	Current Fixed Rate	Current Variable Rate	Annual kWh	Annual kW	Customer/ Connection Count	Fixed Distribution Revenue	Variable Distribution Revenue	Dist. Revenue Including Transformer Allowance
Residential	\$ 32.83		187,443,401		24,119	\$ 9,502,625		\$ 9,502,625
General Service < 50kW	\$ 36.94	\$ 0.0113	56,382,524		1,869	\$ 828,454	\$ 628,747	\$ 1,457,201
General Service > 50kW	\$ 336.30	\$ 3.6984	134,534,275	369,205	137	\$ 554,005	\$ 1,252,556	\$ 1,806,562
Sentinel Lighting	\$ 5.12	\$ 11.4823	382,432	1,055	311	\$ 19,128	\$ 12,113	\$ 31,241
Street Lighting	\$ 0.70	\$ 2.9684	1,478,639	4,147	7,464	\$ 62,700	\$ 12,309	\$ 75,009
Unmetered Scattered Load	\$ 12.14	\$ 0.0080	804,273		189	\$ 27,529	\$ 6,420	\$ 33,949
Distribution Revenue						\$ 10,994,440	\$ 1,912,146	\$ 12,906,586

## 6.2 Taxes or Payments in Lieu of Taxes (PILs) and Property Taxes

WHESC makes payments in lieu (PILs) of corporate taxes calculated in accordance with the rules for computing taxable income, taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporate Tax Act (Ontario), as modified by the Electricity Act, 1998, and related regulations. WHESC does not pay Section 89 proxy taxes and is exempt from the payment of income taxes

under the Income Tax Act (Canada) and the Ontario Corporations Tax Act. WHESC is forecasting regulatory taxable income in the 2025 Test Year of \$875,350 and is therefore requesting \$231,968 in PILs for recovery, grossed up to \$315,602 for revenue requirement purposes. Financial Statements included in Exhibit 1 of this Application are the same as those provided with WHESC's tax returns.

## 6.2.1 Income Taxes or PILs

### 6.2.1.1 Calculation of PILs

WHESC has used the OEB's PILs Tax Work Form Model to calculate the amount of taxes for inclusion in 2025 rates. Detailed calculations of WHESC's requested recovery of PILs in rates can be found in a completed version of the OEB's PILs model, provided as Appendix 6-B to this Exhibit.

### 6.2.1.2 2023 Tax Return and Financial Statements

WHESC has included its 2023 tax return as Appendix 6-C to this Exhibit. The financial statements included within the tax return are the same as those filed in this application.

### 6.2.1.3 Tax Credits

WHESC has maximized tax credits to take the maximum deductions allowed where it makes sense to do so. Please see Section 6.2.1.7 below regarding Accelerated CCA and WHESC's use of the Accelerated Investment Incentive Program ("AIIP"). WHESC occasionally has apprentices and will claim the apprenticeship tax credit when available. WHESC does not expect to have an apprenticeship tax credit available in the upcoming rate term and has not included this credit in the 2025 Test Year PILs calculation.

### 6.2.1.4 Loss Carry Forwards

WHESC does not have any losses available from historical years to apply against future year income. WHESC is forecasting taxable income in both the 2024 Bridge Year and 2025 Test Year.

### 6.2.1.5 Other Additions and Deductions

In accordance with the filing requirements, WHESC has excluded deferral and variance accounts for Regulatory Assets and Liabilities from the reserve balances for 2024 Bridge Year and 2025 Test Year.

### 6.2.1.6 Integrity Checks

WHESC has completed all integrity checks in the PILs model:

- The depreciation and amortization added back in the application's PILs model agrees with the rate base section of this application

- The capital additions and deductions in CCA Schedule 8 agree with Exhibit 2 for historical, bridge and test years
- Schedule 8 of the most recent federal T2 tax return filed with the application has a closing December 31, 2023 UCC balance that agrees with the opening 2024 Bridge Year UCC balance.
- The CCA deductions in the application's PILs tax model for historical, bridge and test years agree with the numbers in the CCA Schedule 8 for the same years filed in this application
- Other post-employment benefits and pension expenses agree to the OM&A analysis for compensation in Exhibit 4
- The income tax rate of 26.5% used is consistent with WHESC's actual tax facts and evidence filed in the application.

#### 6.2.1.7 Accelerated CCA

As discussed in Exhibit 9, WHESC has tracked the revenue requirement implications of the Accelerated Investment Incentive Program ("AIIP") from its effective date in 2018 to the end of 2023. In the 2024 Bridge Year and 2025 Test Year WHESC proposes to not use accelerated CCA given that the option to take accelerated CCA will be phased out entirely by 2028. Given that WHESC is not proposing to claim accelerated CCA beginning in 2024, reverting back to the legacy CCA practice of the half-year rule, there is no need to either smooth the impact of the phase out of accelerated CCA or to capture the impact of the phase out of accelerated CCA in the existing 1592 sub-account related to accelerated CCA. WHESC proposes to maintain the existing 1592 sub-account to capture any further changes in accelerated CCA related policy or changes in how WHESC applies accelerated CCA policy. This treatment has been agreed to in settlement in at least one recent Cost of Service application (EB-2023-0055) and is under consideration in at least one other application (EB-2023-0053) before the OEB. As such, the calculation of PILs in the 2025 Test Year does not assume or include the impacts of AIIP claims.

#### 6.2.2 Other Taxes

WHESC pays property taxes to the City of Welland for its office premises and municipal substations. In addition, WHESC makes annual payments to the Ontario Ministry of Finance for "Payments in Lieu of Property Taxes." Property taxes for the 2017 Board approved, historical years 2017 to 2023, the 2024 Bridge Year and 2025 Test Year are provided in Table 6-11 below. Property taxes for the 2025 Test Year are based on 2023 actual costs plus an estimated increase of 7% over a two-year period. WHESC includes property taxes in Operations & Maintenance and Administrative expenses. No amounts for property taxes are included in account 6105. WHESC is aware of the OEB's Guidance related to the accounting for property taxes and will update OM&A expenses to move property taxes to Account 6105 through the interrogatory process.

**Table 6-11: Property Taxes**

Item	2017 COS	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
Property Taxes	98,875	86,386	84,582	84,468	83,111	80,051	87,062	89,752	93,344	96,144

### 6.2.3 Non-Recoverable and Disallowed Expenses

WHESC has not included donations, other than LEAP, in the calculation of revenue requirement. WHESC has not forecasted any non-eligible donations in the 2024 Bridge Year or 2025 Test Year. WHESC has also excluded all other non-recoverable and disallowed expenses.

### 6.3 Other Revenue

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

Other Distribution Revenue includes items such as:

- Miscellaneous Service Revenues or Specific Service Charges
- Late Payment Charges
- Other Operating Revenues
- Other Income or Deductions

The following Table 6-12 summarizes WHESC's total Other Revenues as outlined in Board Chapter 2 Appendices 2-H. Other Revenues in the 2024 Bridge Year and 2025 Test Year exclude RSVA Interest Income and Non-Distribution Revenues. Both of these revenue categories are excluded when determining total Service Revenue Requirements.

**Table 6-12: Board Appendix 2-H Other Operating Revenue**

USoA #	USoA Description	2017 Actual <sup>1</sup>	2018 Actual <sup>1</sup>	2019 Actual <sup>1</sup>	2020 Actual <sup>1</sup>	2021 Actual <sup>1</sup>	2022 Actual <sup>1</sup>	2023 Actual	Bridge Year	Test Year
		2017	2018	2019	2020	2021	2022	2023	2024	2025
	Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
4082	Retail Services Revenues	\$ 13,137	\$ 11,074	\$ 9,752	\$ 8,601	\$ 7,871	\$ 7,770	\$ 7,195	\$ 8,489	\$ 8,795
4084	Service Transaction Requests (STR) Revenues	\$ 169	\$ 114	\$ 143	\$ 177	\$ 68	\$ 32	\$ 83	\$ 83	\$ 83
4086	SSS Administration Revenue	\$ 77,540	\$ 83,515	\$ 85,078	\$ 86,157	\$ 87,651	\$ 89,302	\$ 91,065	\$ 77,282	\$ 78,261
4210	Rent from Electric Property	\$ 165,502	\$ 177,331	\$ 208,102	\$ 179,840	\$ 180,837	\$ 175,923	\$ 158,739	\$ 159,186	\$ 233,902
4225	Late Payment Charges	\$ 87,564	\$ 101,838	\$ 119,800	\$ 92,831	\$ 108,495	\$ 112,544	\$ 106,410	\$ 106,410	\$ 106,410
4235	Miscellaneous Service Revenues	\$ 135,669	\$ 134,017	\$ 146,946	\$ 142,255	\$ 163,139	\$ 160,619	\$ 192,886	\$ 200,747	\$ 195,464
4245	Government and Other Assistance Directly Credited to Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,749	\$ 204,589
4310	Regulatory Credits	\$ 47,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4355	Gain on Disposition of Utility and Other Property	\$ 16,831	\$ 3,697	\$ 1,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4360	Loss on Disposition of Utility and Other Property	\$ -	\$ -	\$ -	\$ 7,977	\$ 37,590	\$ 13,956	\$ 2,125	\$ 4,000	\$ 4,000
4375	Revenues from Non Rate-Regulated Utility Operations	\$ 86,242	\$ 139,399	\$ 115,577	\$ 74,955	\$ 43,529	\$ 29,373	\$ 28,206	\$ -	\$ -
4380	Expenses of Non Rate-Regulated Utility Operations	\$ 27,395	\$ 18,462	\$ 12,374	\$ 35,854	\$ 13,875	\$ 13,499	\$ 12,374	\$ -	\$ -
4390	Miscellaneous Non-Operating Income	\$ 44,799	\$ 33,445	\$ 36,346	\$ 17,497	\$ 108,952	\$ 53,640	\$ 24,850	\$ 15,100	\$ 15,100
4405	Interest and Dividend Income	\$ 30,577	\$ 45,055	\$ 44,501	\$ 21,519	\$ 27,724	\$ 78,867	\$ 319,863	\$ 222,520	\$ 100,000
	Miscellaneous Service Revenues	\$ 135,669	\$ 134,017	\$ 146,946	\$ 142,255	\$ 163,139	\$ 160,619	\$ 192,886	\$ 200,747	\$ 195,464
	Late Payment Charges	\$ 87,564	\$ 101,838	\$ 119,800	\$ 92,831	\$ 108,495	\$ 112,544	\$ 106,410	\$ 106,410	\$ 106,410
	Other Operating Revenues	\$ 256,348	\$ 272,033	\$ 303,074	\$ 274,775	\$ 276,427	\$ 273,027	\$ 257,082	\$ 412,789	\$ 525,629
	Other Income or Deductions	\$ 198,876	\$ 203,134	\$ 182,456	\$ 70,139	\$ 128,739	\$ 134,425	\$ 358,421	\$ 233,620	\$ 111,100
	Total	\$ 678,456	\$ 711,022	\$ 752,277	\$ 580,000	\$ 676,800	\$ 680,615	\$ 914,799	\$ 953,566	\$ 938,603

WHESC confirms that its allocation of cost methods does not result in the cross-subsidization between regulated and non-regulated lines of business, products, or services.

WHESC does not deviate from Article 340 of the APH in any of the following disclosures.

WHESC confirms that there are no discrete customer groups that will be materially impacted by changes to other rates and charges.

### 6.3.1 Other Revenue Variance Analysis

This section will provide a year-over year variance analysis by account from 2017 Board Approved to the 2025 Test Year. Variances over the materiality threshold of \$64,000, as defined in Exhibit 4, have been highlighted and explained in this section. Table 6-13 below compares Other Revenues from the 2025 Test year to the 2017 Approved amounts.

**Table 6-13: Other Revenue 2025 Test Year vs. 2017 COS**

OEB Account	Description	2017 OEB Approved	2025 Test Year	Variance
4082	Retail Services Revenues	- 10,339	- 8,795	1,544
4084	Service Transaction Requests (STR) Revenues	- 498	- 83	416
4086	SSS Administration Revenue	- 77,537	- 78,261	- 724
4210	Rent from Electric Property	- 164,557	- 233,902	- 69,345
4225	Late Payment Charges	- 73,781	- 106,410	- 32,629
4235	Miscellaneous Service Revenues	- 189,829	- 195,464	- 5,635
4245	Government and Other Assistance Directly Credited to Inco	-	- 204,589	- 204,589
4310	Regulatory Credits	-	-	-
4355	Gain on Disposition of Utility and Other Property	20,892	-	- 20,892
4360	Loss on Disposition of Utility and Other Property	-	4,000	4,000
4375	Revenues from Non Rate-Regulated Utility Operations	-	-	-
4380	Expenses of Non Rate-Regulated Utility Operations	-	-	-
4390	Miscellaneous Non-Operating Income	- 29,579	- 15,100	14,479
4405	Interest and Dividend Income	- 4,906	- 100,000	- 95,094
<b>Total</b>		<b>- 530,134</b>	<b>- 938,603</b>	<b>- 408,469</b>

#### **Account 4210 – Rent from Electric Property**

Rent from Electric Property has increased by \$69,345 from 2017 Approved amount to the 2025 Test Year. The variance is due to a forecasted increase in pole attachment revenues in rates in the amount of \$83,944 due to updated rates by the OEB, as well as a decrease of \$14,599 in building and property rental revenue.

**Account 4245 – Government and Other Assistance Directly Credited to Income**

The \$204,589 increase in this account is due to the reallocation of depreciation on contributed capital from Account 1995 to Account 2440 deferred revenue.

**Account 4405 – Interest and Dividend Income**

The increase of \$95,094 is related to an increase in interest income on bank balances, primarily due to an increase in interest rates.

Table 6-14 below shows the year-over-year variance by USoA. Variances over the materiality threshold of \$64,000 have been highlighted and explained below.

**Table 6-14: Other Revenue Year-over-Year Variance**

OEB Account	Description	2017 OEB Approved	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Bridge Year	2025 Test Year
4082	Retail Services Revenues	- 10,339	- 2,798	2,063	1,321	1,151	730	101	575	- 1,294	- 305
4084	Service Transaction Requests (STR) Revenues	- 498	329	56	29	35	109	36	50	-	-
4086	SSS Administration Revenue	- 77,537	3	5,975	1,563	1,079	1,493	1,651	1,764	13,783	979
4210	Rent from Electric Property	- 164,557	945	11,829	30,771	28,262	997	4,914	17,184	447	74,716
4225	Late Payment Charges	- 73,781	13,783	14,274	17,962	26,969	15,664	4,049	6,134	-	-
4235	Miscellaneous Service Revenues	- 189,829	54,160	1,651	12,929	4,692	20,884	2,521	32,267	7,861	5,283
4245	Government and Other Assistance Directly Credited to Inco	-	-	-	-	-	-	-	-	167,749	36,840
4310	Regulatory Credits	-	47,822	47,822	-	-	-	-	-	-	-
4355	Gain on Disposition of Utility and Other Property	20,892	37,723	13,134	5,291	1,594	-	-	-	-	-
4360	Loss on Disposition of Utility and Other Property	-	-	-	-	7,977	29,613	23,633	11,831	1,875	-
4375	Revenues from Non Rate-Regulated Utility Operations	-	86,242	53,156	23,821	40,622	31,426	14,155	1,167	28,206	-
4380	Expenses of Non Rate-Regulated Utility Operations	-	27,395	8,934	6,088	23,480	21,978	377	1,125	12,374	-
4390	Miscellaneous Non-Operating Income	- 29,579	15,220	11,354	2,900	18,849	91,455	55,311	28,790	9,750	-
4405	Interest and Dividend Income	- 4,906	25,671	14,478	554	22,982	6,205	51,143	240,997	97,343	122,520
<b>Total</b>		<b>- 530,134</b>	<b>148,322</b>	<b>32,566</b>	<b>41,255</b>	<b>172,277</b>	<b>96,800</b>	<b>3,815</b>	<b>234,184</b>	<b>38,767</b>	<b>14,963</b>

**Account 4210 – Rent from Electric Property**

Rent from Electric Property is forecasted to increase by \$74,716 from the 2024 Bridge Year to the 2025 Test Year as the pole attachment charge revenues built into rates in the 2025 Test Year reflect the updated rates as required by the OEB.

**Account 4245 – Government and Other Assistance Directly Credited to Income**

The \$167,749 increase in this account in the 2024 Bridge Year is due to the reallocation of depreciation on contributed capital from Account 1995 to Account 2440 deferred revenue.

**Account 4375 – Revenues from Non-Rate Regulated Utility Operations**

There is an \$86,242 variance between 2017 Actual revenue from non-rate regulated operations and the 2017 COS approved amount. WHESC did not include non-rate regulated revenue in the 2017 COS as



those revenues are excluded from revenue requirement. The revenue recorded in 2017 Actuals includes solar generation revenue, as well as revenue related to the administration of energy conservation programs.

### **Account 4390 – Miscellaneous Non-Operating Income**

The variance in Account 4390 is related to proceeds received for the sale of scrap metal. The increase of \$91,455 in 2021 is a result of an increase in commodity prices.

### **Account 4405 – Interest and Dividend Income**

The increase in interest income of \$240,997 in 2023 is primarily related to an increase in interest rates and a higher bank balance associated with expansion deposits. The projected decrease in interest income in the 2024 Bridge Year of \$97,343 and the 2025 Test Year of \$122,520 is due to the expectation that interest rates will continue to decrease over time and WHESC's expected level of expansion deposit amounts.

### **6.3.2 Other revenue from Specific Service Charges**

WHESC is not proposing any new specific service charges in this application. WHESC is proposing to default to the OEB generic MicroFIT charge rate in this application, as described in Exhibit 8, and has reflected the reduction in revenue in Account 4235 in the 2025 Test Year. WHESC has also reflected the increase in Pole attachment revenue in Account 4210 to reflect use of the updated OEB rate at rebasing. The incremental revenue related to Pole Attachments is currently being recorded to DVA Account 1508, Sub-Account Pole Attachments. See Exhibit 9 for further details.

### **6.3.3 Revenue from Affiliate Transactions**

WHESC has historically been capturing mark-up on invoices to its affiliate for sentinel light maintenance to Account 4235 Miscellaneous Services Revenue, sub-account Mark-up. Labour and material are directly charged to a billable invoice and not included in WHESC's OM&A costs. As a result of these transactions not being recorded in account 4375 and 4380, they will not reconcile with the balances recorded in OEB Appendix 2-N. The annual mark-up related to affiliate billings is not material.

### **6.3.4 MicroFIT Charges**

WHESC has historically recorded MicroFIT revenue to account 4086. WHESC is aware of the OEB's Guidance to record this revenue to Account 4235-Miscellaneous Service Revenue and has reflected that in the 2024 Bridge and 2025 Test Year. WHESC confirms that MicroFIT charges have been recorded as a revenue offset and have not been included as part of base distribution revenue.

### 6.3.5 Other Revenue Account Breakdown

The following section provides a detailed breakdown of Other Revenue accounts, outlining the components of each balance as applicable.

**Table 6-15: Account 4210 Rent From Electric Property**

4210 - Rent from Electric Property									
	2017 Actual <sup>P</sup>	2018 Actual <sup>P</sup>	2019 Actual <sup>P</sup>	2020 Actual <sup>P</sup>	2021 Actual <sup>P</sup>	2022 Actual <sup>P</sup>	2023 Actual	Bridge Year	Test Year
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Rent from Property - Joint use poles attachments	-\$ 141,145	-\$ 142,546	-\$ 172,761	-\$ 144,158	-\$ 144,666	-\$ 147,851	-\$ 148,739	-\$ 149,186	-\$ 223,902
Rent from Property - Buildings	-\$ 24,357	-\$ 24,785	-\$ 25,341	-\$ 25,682	-\$ 26,171	-\$ 18,072	\$ -	\$ -	\$ -
Rent from Property - Solar Facility	\$ -	-\$ 10,000	-\$ 10,000	-\$ 10,000	-\$ 10,000	-\$ 10,000	-\$ 10,000	-\$ 10,000	-\$ 10,000
<b>Total</b>	-\$ 165,502	-\$ 177,331	-\$ 208,102	-\$ 179,840	-\$ 180,837	-\$ 175,923	-\$ 158,739	-\$ 159,186	-\$ 233,902

**Table 6-16: Account 4235 Miscellaneous Services Revenue**

4235 - Miscellaneous Services Revenue									
	2017 Actual <sup>P</sup>	2018 Actual <sup>P</sup>	2019 Actual <sup>P</sup>	2020 Actual <sup>P</sup>	2021 Actual <sup>P</sup>	2022 Actual <sup>P</sup>	2023 Actual	Bridge Year	Test Year
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Account Status Fees	-\$ 1,005	-\$ 732	-\$ 785	-\$ 315	-\$ 540	-\$ 120	75	100	100
NSF Charges	-\$ 5,472	-\$ 8,682	-\$ 8,061	-\$ 5,530	-\$ 8,730	-\$ 8,910	-\$ 12,315	-\$ 12,315	-\$ 12,315
Occupancy Related	-\$ 100,380	-\$ 88,650	-\$ 90,270	-\$ 93,840	-\$ 111,510	-\$ 102,990	-\$ 114,330	-\$ 114,330	-\$ 114,330
Disconnect/Reconnect	-\$ 17,385	-\$ 20,515	-\$ 21,487	-\$ 11,750	-\$ 15,150	-\$ 17,555	-\$ 25,010	-\$ 25,010	-\$ 25,010
Markup Work Orders	-\$ 10,137	-\$ 12,228	-\$ 26,344	-\$ 54,320	-\$ 27,209	-\$ 31,044	-\$ 41,156	-\$ 35,000	-\$ 35,000
Collection Charge	-\$ 1,290	-\$ 3,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MicroFIT Service Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-\$ 13,992	-\$ 8,709
<b>Total</b>	-\$ 135,669	-\$ 134,017	-\$ 146,946	-\$ 142,255	-\$ 163,139	-\$ 160,619	-\$ 192,886	-\$ 200,747	-\$ 195,464

**Table 6-17: Account 4310 Regulatory Credits**

	2017 Actual <sup>P</sup>	2018 Actual <sup>P</sup>	2019 Actual <sup>P</sup>	2020 Actual <sup>P</sup>	2021 Actual <sup>P</sup>	2022 Actual <sup>P</sup>	2023 Actual	Bridge Year	Test Year
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
2012 PP&E Adjustment	-\$ 47,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	-\$ 47,822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Table 6-18: Account 4355 Gain on Disposition of Utility and Other Property**

4355 - Gain on disposition of Utility and Other Property									
	2017 Actual <sup>P</sup>	2018 Actual <sup>P</sup>	2019 Actual <sup>P</sup>	2020 Actual <sup>P</sup>	2021 Actual <sup>P</sup>	2022 Actual <sup>P</sup>	2023 Actual	Bridge Year	Test Year
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Gain/loss on disposition of assets	-\$ 41,417	-\$ 7,004	-\$ 4,207	-\$ 5,000	-\$ 500	-\$ 1,486	-\$ 465	-\$ 2,000	-\$ 2,000
Gain/loss on early retired assets	\$ 24,586	\$ 3,307	\$ 5,800	\$ 12,977	\$ 38,090	\$ 15,442	\$ 2,590	\$ 6,000	\$ 6,000
<b>Total</b>	-\$ 16,831	-\$ 3,697	\$ 1,593	\$ 7,977	\$ 37,590	\$ 13,956	\$ 2,125	\$ 4,000	\$ 4,000

**Table 6-19: Account 4375 & 4380 Revenues and Expenses from Non-Rate Regulated Utility Ops.**

4375 - Revenues from Non Rate-Regulated Utility Operations									
	2017 Actual <sup>P</sup>	2018 Actual <sup>P</sup>	2019 Actual <sup>P</sup>	2020 Actual <sup>P</sup>	2021 Actual <sup>P</sup>	2022 Actual <sup>P</sup>	2023 Actual	Bridge Year	Test Year
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OPA/CDM program revenue	-\$ 53,661	-\$ 103,405	-\$ 82,117	-\$ 38,335	-\$ 10,528	\$ -	\$ -	\$ -	\$ -
Solar Revenue	-\$ 32,581	-\$ 35,994	-\$ 33,461	-\$ 36,620	-\$ 33,001	-\$ 29,373	-\$ 28,206	\$ -	\$ -
<b>Total</b>	-\$ 86,242	-\$ 139,399	-\$ 115,578	-\$ 74,955	-\$ 43,529	-\$ 29,373	-\$ 28,206	\$ -	\$ -

4380 - Expenses of Non-Rate Regulated Activities									
	2017 Actual <sup>P</sup>	2018 Actual <sup>P</sup>	2019 Actual <sup>P</sup>	2020 Actual <sup>P</sup>	2021 Actual <sup>P</sup>	2022 Actual <sup>P</sup>	2023 Actual	Bridge Year	Test Year
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
OPA/CDM Program expenses	\$ -	\$ -	\$ -	\$ 23,480	\$ -	\$ -	\$ -	\$ -	\$ -
Solar Expenses	\$ 15,022	\$ 6,088	\$ -	\$ -	\$ 1,502	\$ 1,125	\$ -	\$ -	\$ -
Depreciation on non-rate regulated assets	\$ 12,374	\$ 12,374	\$ 12,374	\$ 12,374	\$ 12,374	\$ 12,374	\$ 12,374	\$ -	\$ -
<b>Total</b>	\$ 27,396	\$ 18,462	\$ 12,374	\$ 35,854	\$ 13,876	\$ 13,499	\$ 12,374	\$ -	\$ -

**Table 6-20: Account 4390 Miscellaneous Non-Operating Income**

4390 - Miscellaneous Non-Operating Income									
	2017 Actual <sup>P</sup>	2018 Actual <sup>P</sup>	2019 Actual <sup>P</sup>	2020 Actual <sup>P</sup>	2021 Actual <sup>P</sup>	2022 Actual <sup>P</sup>	2023 Actual	Bridge Year	Test Year
	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Basis	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS	MIFRS
Scrap metal sales	\$ 44,334	\$ 32,993	\$ 36,106	\$ 17,467	\$ 108,892	\$ 53,580	\$ 24,666	\$ 15,000	\$ 15,000
Miscellaneous	\$ 465	\$ 452	\$ 240	\$ 30	\$ 60	\$ 60	\$ 184	\$ 100	\$ 100
<b>Total</b>	\$ 44,799	\$ 33,445	\$ 36,346	\$ 17,497	\$ 108,952	\$ 53,640	\$ 24,850	\$ 15,100	\$ 15,100

2

4405 - Interest and Dividend Income										
	2017 Actual <sup>1</sup>	2018 Actual <sup>1</sup>	2019 Actual <sup>1</sup>	2020 Actual <sup>1</sup>	2021 Actual <sup>1</sup>	2022 Actual <sup>1</sup>	2023 Actual	Bridge Year	Test Year	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Reporting Basis	MFIRS	MFIRS	MFIRS	MFIRS	MFIRS	MFIRS	MFIRS	MFIRS	MFIRS	
Interest Income - Bank balance	-\$ 26,989	-\$ 39,197	-\$ 36,927	-\$ 17,070	-\$ 24,976	-\$ 61,384	-\$ 221,313	-\$ 222,520	-\$	100,000
Interest Income - Regulatory accounts	-\$ 3,588	-\$ 5,858	-\$ 7,574	-\$ 4,449	-\$ 2,748	-\$ 17,482	-\$ 98,550	-	-\$	-
<b>Total</b>	<b>-\$ 30,577</b>	<b>-\$ 45,055</b>	<b>-\$ 44,501</b>	<b>-\$ 21,519</b>	<b>-\$ 27,724</b>	<b>-\$ 78,866</b>	<b>-\$ 319,863</b>	<b>-\$ 222,520</b>	<b>-\$</b>	<b>100,000</b>

## Appendix 6-A: OEB Revenue Requirement Workform

# Appendix 6-A – Revenue Requirement Work Form



Ontario Energy Board

## Revenue Requirement Workform (RRWF) for 2025 Filers

### Data Input Sheet <sup>(1)</sup>

	Initial Application <sup>(2)</sup>	Adjustments	Interrogatory Responses <sup>(6)</sup>	Adjustments	Settlement Agreement <sup>(6)</sup>	Adjustments	Per Board Decision
<b>1 Rate Base</b>							
Gross Fixed Assets (average)	\$ 84,890,396	\$ -	\$ 84,890,396		\$ 84,890,396		\$ 84,890,396
Accumulated Depreciation (average)	(\$42,855,424) <sup>(5)</sup>	\$ -	\$ (42,855,424)		\$ (42,855,424)		\$ (42,855,424)
<b>Allowance for Working Capital:</b>							
Controllable Expenses	\$8,760,349	\$ -	\$ 8,760,349		\$ 8,760,349		\$ 8,760,349
Cost of Power	\$45,016,203	\$ -	\$ 45,016,203		\$ 45,016,203		\$ 45,016,203
Working Capital Rate (%)	7.50% <sup>(9)</sup>						
<b>2 Utility Income</b>							
Operating Revenues:							
Distribution Revenue at Current Rates	\$12,716,749						
Distribution Revenue at Proposed Rates	\$12,842,944						
<b>Other Revenue:</b>							
Specific Service Charges	\$186,755						
Late Payment Charges	\$106,410						
Other Distribution Revenue	\$534,338						
Other Income and Deductions	\$111,100						
Total Revenue Offsets	\$938,603 <sup>(7)</sup>						
<b>Operating Expenses:</b>							
OM+A Expenses	\$8,760,349	\$ -	\$ 8,760,349		\$8,760,349		\$ 8,760,349
Depreciation/Amortization	\$2,095,996	\$ -	\$ 2,095,996		\$2,095,996		\$ 2,095,996
Property taxes	\$ -	\$ -	\$ -		\$0		\$ -
Other expenses		\$ -					
<b>3 Taxes/PILs</b>							
Taxable Income:							
Adjustments required to arrive at taxable income	(\$821,978) <sup>(3)</sup>						
<b>Utility Income Taxes and Rates:</b>							
Income taxes (not grossed up)	\$231,921						
Income taxes (grossed up)	\$315,539						
Federal tax (%)	15.00%						
Provincial tax (%)	11.50%						
Income Tax Credits	\$ -						
<b>4 Capitalization/Cost of Capital</b>							
<b>Capital Structure:</b>							
Long-term debt Capitalization Ratio (%)	56.0%						
Short-term debt Capitalization Ratio (%)	4.0% <sup>(8)</sup>						
Common Equity Capitalization Ratio (%)	40.0%						
Preferred Shares Capitalization Ratio (%)							
	100.0%						
<b>Cost of Capital</b>							
Long-term debt Cost Rate (%)	3.09%						
Short-term debt Cost Rate (%)	6.23%						
Common Equity Cost Rate (%)	9.21%						
Preferred 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.

<sup>(1)</sup> 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.

<sup>(2)</sup> 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

<sup>(3)</sup> Net of addbacks and deductions to arrive at taxable income.

<sup>(4)</sup> Average of Gross Fixed Assets at beginning and end of the Test Year

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

<sup>(6)</sup> 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).

<sup>(7)</sup> Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement

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

<sup>(9)</sup> 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.

## Appendix 6-A – Revenue Requirement Work Form



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) <sup>(2)</sup>	\$84,890,396	\$ -	\$84,890,396	\$ -	\$84,890,396	\$ -	\$84,890,396
2	Accumulated Depreciation (average) <sup>(2)</sup>	(\$42,855,424)	\$ -	(\$42,855,424)	\$ -	(\$42,855,424)	\$ -	(\$42,855,424)
3	Net Fixed Assets (average) <sup>(2)</sup>	\$42,034,971	\$ -	\$42,034,971	\$ -	\$42,034,971	\$ -	\$42,034,971
4	Allowance for Working Capital <sup>(1)</sup>	\$4,033,241	(\$4,033,241)	\$ -	\$ -	\$ -	\$ -	\$ -
5	<b>Total Rate Base</b>	<b>\$46,068,213</b>	<b>(\$4,033,241)</b>	<b>\$42,034,971</b>	<b>\$ -</b>	<b>\$42,034,971</b>	<b>\$ -</b>	<b>\$42,034,971</b>

### <sup>(1)</sup> Allowance for Working Capital - Derivation

6	Controllable Expenses	\$8,760,349	\$ -	\$8,760,349	\$ -	\$8,760,349	\$ -	\$8,760,349
7	Cost of Power	\$45,016,203	\$ -	\$45,016,203	\$ -	\$45,016,203	\$ -	\$45,016,203
8	Working Capital Base	\$53,776,552	\$ -	\$53,776,552	\$ -	\$53,776,552	\$ -	\$53,776,552
9	Working Capital Rate % <sup>(1)</sup>	7.50%	-7.50%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Working Capital Allowance	\$4,033,241	(\$4,033,241)	\$ -	\$ -	\$ -	\$ -	\$ -

#### Notes

<sup>(1)</sup> 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.

<sup>(2)</sup> Average of opening and closing balances for the year.

# Appendix 6-A – Revenue Requirement Work Form



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
<b>Operating Revenues:</b>								
1	Distribution Revenue (at Proposed Rates)	\$12,842,944	(\$12,842,944)	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue <sup>(1)</sup>	\$938,603	(\$938,603)	\$ -	\$ -	\$ -	\$ -	\$ -
3	<b>Total Operating Revenues</b>	<b>\$13,781,547</b>	<b>(\$13,781,547)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Expenses:</b>								
4	OM+A Expenses	\$8,760,349	\$ -	\$8,760,349	\$ -	\$8,760,349	\$ -	\$8,760,349
5	Depreciation/Amortization	\$2,095,996	\$ -	\$2,095,996	\$ -	\$2,095,996	\$ -	\$2,095,996
6	Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Subtotal (lines 4 to 8)</b>	<b>\$10,856,345</b>	<b>\$ -</b>	<b>\$10,856,345</b>	<b>\$ -</b>	<b>\$10,856,345</b>	<b>\$ -</b>	<b>\$10,856,345</b>
10	Deemed Interest Expense	\$912,510	(\$912,510)	\$ -	\$ -	\$ -	\$ -	\$ -
11	<b>Total Expenses (lines 9 to 10)</b>	<b>\$11,768,855</b>	<b>(\$912,510)</b>	<b>\$10,856,345</b>	<b>\$ -</b>	<b>\$10,856,345</b>	<b>\$ -</b>	<b>\$10,856,345</b>
12	<b>Utility income before income taxes</b>	<b>\$2,012,692</b>	<b>(\$12,869,037)</b>	<b>(\$10,856,345)</b>	<b>\$ -</b>	<b>(\$10,856,345)</b>	<b>\$ -</b>	<b>(\$10,856,345)</b>
13	Income taxes (grossed-up)	\$315,539	\$ -	\$315,539	\$ -	\$315,539	\$ -	\$315,539
14	<b>Utility net income</b>	<b>\$1,697,153</b>	<b>(\$12,869,037)</b>	<b>(\$11,171,884)</b>	<b>\$ -</b>	<b>(\$11,171,884)</b>	<b>\$ -</b>	<b>(\$11,171,884)</b>

### Notes

#### Other Revenues / Revenue

<sup>(1)</sup>	Specific Service Charges	\$186,755		\$ -		\$ -		\$ -
	Late Payment Charges	\$106,410		\$ -		\$ -		\$ -
	Other Distribution Revenue	\$534,338		\$ -		\$ -		\$ -
	Other Income and Deductions	\$111,100		\$ -		\$ -		\$ -
	<b>Total Revenue Offsets</b>	<b>\$938,603</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## Appendix 6-A – Revenue Requirement Work Form



Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2025 Filers

### Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
<u>Determination of Taxable Income</u>					
1	Utility net income before taxes	\$1,697,153	\$ -	\$ -	\$ -
2	Adjustments required to arrive at taxable utility income	(\$821,978)	\$ -	\$ -	\$ -
3	Taxable income	\$875,175	\$ -	\$ -	\$ -
<u>Calculation of Utility income Taxes</u>					
4	Income taxes	\$231,921	\$231,921	\$231,921	\$231,921
6	Total taxes	\$231,921	\$231,921	\$231,921	\$231,921
7	Gross-up of Income Taxes	\$83,618	\$83,618	\$83,618	\$83,618
8	Grossed-up Income Taxes	\$315,539	\$315,539	\$315,539	\$315,539
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$315,539	\$315,539	\$315,539	\$315,539
10	Other tax Credits	\$ -	\$ -	\$ -	\$ -
<u>Tax Rates</u>					
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



# Appendix 6-A – Revenue Requirement Work Form



Ontario Energy Board

## Revenue Requirement Workform (RRWF) for 2025 Filers

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		Initial Application			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$25,798,199	3.09%	\$797,708
2	Short-term Debt	4.00%	\$1,842,729	6.23%	\$114,802
3	<b>Total Debt</b>	60.00%	\$27,640,928	3.30%	\$912,510
	<b>Equity</b>				
4	Common Equity	40.00%	\$18,427,285	9.21%	\$1,697,153
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$18,427,285	9.21%	\$1,697,153
7	<b>Total</b>	100.00%	\$46,068,213	5.66%	\$2,609,663
		Interrogatory Responses			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	0.00%	\$ -	0.00%	\$ -
2	Short-term Debt	0.00%	\$ -	0.00%	\$ -
3	<b>Total Debt</b>	0.00%	\$ -	0.00%	\$ -
	<b>Equity</b>				
4	Common Equity	0.00%	\$ -	0.00%	\$ -
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	0.00%	\$ -	0.00%	\$ -
7	<b>Total</b>	0.00%	\$42,034,971	0.00%	\$ -
		Settlement Agreement			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	0.00%	\$ -	3.09%	\$ -
9	Short-term Debt	0.00%	\$ -	6.23%	\$ -
10	<b>Total Debt</b>	0.00%	\$ -	0.00%	\$ -
	<b>Equity</b>				
11	Common Equity	0.00%	\$ -	9.21%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	0.00%	\$ -	0.00%	\$ -
14	<b>Total</b>	0.00%	\$42,034,971	0.00%	\$ -
		Per Board Decision			
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
8	Long-term Debt	0.00%	\$ -	3.09%	\$ -
9	Short-term Debt	0.00%	\$ -	6.23%	\$ -
10	<b>Total Debt</b>	0.00%	\$ -	0.00%	\$ -
	<b>Equity</b>				
11	Common Equity	0.00%	\$ -	9.21%	\$ -
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	0.00%	\$ -	0.00%	\$ -
14	<b>Total</b>	0.00%	\$42,034,971	0.00%	\$ -

#### Notes

# Appendix 6-A – Revenue Requirement Work Form



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		\$126,195		(\$2,156,764)		\$14,770,538		\$14,770,538
2	Distribution Revenue	\$12,716,749	\$12,716,749	\$12,716,749	\$14,999,708	\$ -	(\$14,770,538)	\$ -	(\$14,770,538)
3	Other Operating Revenue Offsets - net	\$938,603	\$938,603	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	<b>Total Revenue</b>	<b>\$13,655,352</b>	<b>\$13,781,547</b>	<b>\$12,716,749</b>	<b>\$12,842,944</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
5	Operating Expenses	\$10,856,345	\$10,856,345	\$10,856,345	\$10,856,345	\$10,856,345	\$10,856,345	\$10,856,345	\$10,856,345
6	Deemed Interest Expense	\$912,510	\$912,510	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	<b>Total Cost and Expenses</b>	<b>\$11,768,855</b>	<b>\$11,768,855</b>	<b>\$10,856,345</b>	<b>\$10,856,345</b>	<b>\$10,856,345</b>	<b>\$10,856,345</b>	<b>\$10,856,345</b>	<b>\$10,856,345</b>
9	<b>Utility Income Before Income Taxes</b>	<b>\$1,886,497</b>	<b>\$2,012,692</b>	<b>\$1,860,404</b>	<b>\$1,986,599</b>	<b>(\$10,856,345)</b>	<b>(\$10,856,345)</b>	<b>(\$10,856,345)</b>	<b>(\$10,856,345)</b>
10	Tax Adjustments to Accounting Income per 2013 PILs model	(\$821,978)	(\$821,978)	(\$821,978)	(\$821,978)	\$ -	\$ -	\$ -	\$ -
11	<b>Taxable Income</b>	<b>\$1,064,519</b>	<b>\$1,190,714</b>	<b>\$1,038,426</b>	<b>\$1,164,621</b>	<b>(\$10,856,345)</b>	<b>(\$10,856,345)</b>	<b>(\$10,856,345)</b>	<b>(\$10,856,345)</b>
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	<b>Income Tax on Taxable Income</b>	<b>\$282,098</b>	<b>\$315,539</b>	<b>\$275,183</b>	<b>\$308,625</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
14	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
15	<b>Utility Net Income</b>	<b>\$1,604,400</b>	<b>\$1,697,153</b>	<b>\$1,585,221</b>	<b>(\$11,171,884)</b>	<b>(\$10,856,345)</b>	<b>(\$11,171,884)</b>	<b>(\$10,856,345)</b>	<b>(\$11,171,884)</b>
16	<b>Utility Rate Base</b>	<b>\$46,068,213</b>	<b>\$46,068,213</b>	<b>\$42,034,971</b>	<b>\$42,034,971</b>	<b>\$42,034,971</b>	<b>\$42,034,971</b>	<b>\$42,034,971</b>	<b>\$42,034,971</b>
17	Deemed Equity Portion of Rate Base	\$18,427,285	\$18,427,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	Income/(Equity Portion of Rate Base)	8.71%	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	-0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	5.46%	5.66%	3.77%	0.00%	-25.83%	0.00%	-25.83%	0.00%
22	Requested Rate of Return on Rate Base	5.66%	5.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-0.20%	0.00%	3.77%	0.00%	-25.83%	0.00%	-25.83%	0.00%
24	Target Return on Equity	\$1,697,153	\$1,697,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Revenue Deficiency/(Sufficiency)	\$92,753	\$ -	(\$1,585,221)	\$ -	\$10,856,345	\$ -	\$10,856,345	\$ -
26	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$126,195 <sup>(1)</sup></b>		<b>(\$2,156,764) <sup>(1)</sup></b>		<b>\$14,770,538 <sup>(1)</sup></b>		<b>\$14,770,538 <sup>(1)</sup></b>	

#### Notes:

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

# Appendix 6-A – Revenue Requirement Work Form



Ontario Energy Board

## Revenue Requirement Workform (RRWF) for 2025 Filers

### Revenue Requirement

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
1	OM&A Expenses	\$8,760,349	\$8,760,349	\$8,760,349	\$8,760,349
2	Amortization/Depreciation	\$2,095,996	\$2,095,996	\$2,095,996	\$2,095,996
3	Property Taxes	\$ -	\$ -	\$ -	\$ -
5	Income Taxes (Grossed up)	\$315,539	\$315,539	\$315,539	\$315,539
6	Other Expenses	\$ -	\$ -	\$ -	\$ -
7	Return				
	Deemed Interest Expense	\$912,510	\$ -	\$ -	\$ -
	Return on Deemed Equity	\$1,697,153	\$ -	\$ -	\$ -
8	<b>Service Revenue Requirement (before Revenues)</b>	<b>\$13,781,547</b>	<b>\$11,171,884</b>	<b>\$11,171,884</b>	<b>\$11,171,884</b>
9	Revenue Offsets	\$938,603	\$ -	\$ -	\$ -
10	<b>Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)</b>	<b>\$12,842,944</b>	<b>\$11,171,884</b>	<b>\$11,171,884</b>	<b>\$11,171,884</b>
11	Distribution revenue	\$12,842,944	\$ -	\$ -	\$ -
12	Other revenue	\$938,603	\$ -	\$ -	\$ -
13	<b>Total revenue</b>	<b>\$13,781,547</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
14	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<b>\$ - <sup>(1)</sup></b>	<b>(\$11,171,884) <sup>(1)</sup></b>	<b>(\$11,171,884) <sup>(1)</sup></b>	<b>(\$11,171,884) <sup>(1)</sup></b>

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Interrogatory Responses	Δ% <sup>(2)</sup>	Settlement Agreement	Δ% <sup>(2)</sup>	Per Board Decision	Δ% <sup>(2)</sup>
<b>Service Revenue Requirement</b>	\$13,781,547	\$11,171,884	<b>(18.94%)</b>	\$11,171,884	<b>(18.94%)</b>	\$11,171,884	<b>(18.94%)</b>
<b>Grossed-Up Revenue Deficiency/(Sufficiency)</b>	\$126,195	<b>(\$2,156,764)</b>	<b>(1809.07%)</b>	\$14,770,538	<b>11604.54%</b>	\$14,770,538	<b>11604.54%</b>
<b>Base Revenue Requirement (to be recovered from Distribution Rates)</b>	\$12,842,944	\$11,171,884	<b>(13.01%)</b>	\$11,171,884	<b>(13.01%)</b>	\$11,171,884	<b>(13.01%)</b>
<b>Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement</b>	\$126,195	<b>\$ -</b>	<b>(100.00%)</b>	<b>\$ -</b>	<b>(100.00%)</b>	<b>\$ -</b>	<b>(100.00%)</b>

### Notes

<sup>(1)</sup> Line 11 - Line 8

<sup>(2)</sup> Percentage Change Relative to Initial Application

# Appendix 6-A – Revenue Requirement Work Form



## 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 2-4** should be incorporated into the entries. The inputs should correspond with the summary of the Load Forecast for the Test Year in **Appendix 2-1B** and in Exhibit 3 of the application.

**Appendix 2-1B** is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth and 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	kWh	kW/kVA <sup>(1)</sup>	Customer / Connections	kWh	kW/kVA <sup>(1)</sup>	Customer / Connections	kWh	kW/kVA <sup>(1)</sup>	Customer / Connections	kWh	kW/kVA <sup>(1)</sup>
		Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual	Test Year average or mid-year	Annual	Annual
1	Residential	24,119	187,443,401										
2	General Service Less Than 50 kW	1,869	56,382,524										
3	General Service 50 to 4,999 kW	137	134,534,275	369,205									
4	Sentinel Lighting	311	382,432	1,055									
5	Street Lighting	7,464	1,478,639	4,147									
6	Unmetered Scattered Load	189	804,273										
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
Total			381,025,544	374,407									

### Notes:

<sup>(1)</sup> Input kW or kVA for those customer classes for which billing is based on demand (kW or kVA) versus energy consumption (kWh)

## Appendix 6-A – Revenue Requirement Work Form



Ontario Energy Board

# 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 <sup>(3)</sup>	Costs Allocated from Previous Study <sup>(1)</sup>	%	Allocated Class Revenue Requirement <sup>(1)</sup> (7A)	%
<i>From Sheet 10. Load Forecast</i>				
1 Residential	\$ 6,920,267	67.75%	\$ 9,838,081	71.06%
2 General Service Less Than 50 kW	\$ 1,242,072	12.16%	\$ 1,780,553	12.86%
3 General Service 50 to 4,999 kW	\$ 1,906,552	18.67%	\$ 2,059,203	14.87%
4 Sentinel Lighting	\$ 51,580	0.50%	\$ 43,836	0.32%
5 Street Lighting	\$ 59,255	0.58%	\$ 87,849	0.63%
6 Unmetered Scattered Load	\$ 34,433	0.34%	\$ 35,666	0.26%
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>Total</b>	<b>\$ 10,214,159</b>	<b>100.00%</b>	<b>\$ 13,845,188</b>	<b>100.00%</b>
<b>does not match Base Revenue</b>	<b>Service Revenue Requirement (from Sheet 9)</b>		<b>\$ 13,781,546.94</b>	

- (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	\$ 9,362,810	\$ 9,502,578	\$ 9,502,625	\$ 691,607
2 General Service Less Than 50 kW	\$ 1,435,768	\$ 1,457,201	\$ 1,457,201	\$ 104,620
3 General Service 50 to 4,999 kW	\$ 1,779,990	\$ 1,806,562	\$ 1,806,562	\$ 119,520
4 Sentinel Lighting	\$ 27,650	\$ 28,063	\$ 31,241	\$ 3,828
5 Street Lighting	\$ 76,080	\$ 77,216	\$ 75,009	\$ 16,020
6 Unmetered Scattered Load	\$ 34,452	\$ 34,967	\$ 33,949	\$ 3,008
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>Total</b>	<b>\$ 12,716,749</b>	<b>\$ 12,906,586</b>	<b>\$ 12,906,586</b>	<b>\$ 938,603</b>

## Appendix 6-A – Revenue Requirement Work Form

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

### C) Rebalancing Revenue-to-Cost Ratios

	Name of Customer Class	Previously Approved Ratios	Status Quo Ratios	Proposed Ratios	Policy Range
		Most Recent Year:	(7C + 7E) / (7A)	(7D + 7E) / (7A)	
		2017			
		%	%	%	%
1	Residential	104.20%	103.62%	103.62%	85 - 115
2	General Service Less Than 50 kW	96.40%	87.72%	87.72%	80 - 120
3	General Service 50 to 4,999 kW	86.60%	93.54%	93.54%	80 - 120
4	Sentinel Lighting	86.60%	72.75%	80.00%	80 - 120
5	Street Lighting	120.00%	106.13%	103.62%	80 - 120
6	Unmetered Scattered Load	120.00%	106.47%	103.62%	80 - 120
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

- (8) Previously Approved Revenue-to-Cost (R/C) Ratios - For most applicants, the most recent year would be the third year (at the latest) of the Price Cap IR period. For example, if the applicant, rebased in 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 <sup>(11)</sup>

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2025	2026	2027	
1	Residential	103.62%	103.62%	103.62%	85 - 115
2	General Service Less Than 50 kW	87.72%	87.72%	87.72%	80 - 120
3	General Service 50 to 4,999 kW	93.54%	93.54%	93.54%	80 - 120
4	Sentinel Lighting	80.00%	80.00%	80.00%	80 - 120
5	Street Lighting	103.62%	103.62%	103.62%	80 - 120
6	Unmetered Scattered Load	103.62%	103.62%	103.62%	80 - 120
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					

- (11) The applicant should complete Table D if it is applying for approval of a revenue-to-cost ratio in 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 Worksheet, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

## Appendix 6-A – Revenue Requirement Work Form



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 Residential Class	
Customers	24,119
kWh	187,443,401
Proposed Residential Class Specific Revenue Requirement <sup>1</sup>	\$ 9,502,624.55

Residential Base Rates on Current Tariff	
Monthly Fixed Charge (\$)	
Distribution Volumetric Rate (\$/kWh)	

#### B Current Fixed/Variable Split

	Base Rates	Billing Determinants	Revenue	% of Total Revenue
Fixed		24,119		
Variable		187,443,401		
<b>TOTAL</b>	-	-		-

#### C Calculating Test Year Base Rates

Number of Remaining Rate Design Policy Transition Years <sup>2</sup>	0
--	---

	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			
Variable			
<b>TOTAL</b>		-	

	New F/V Split	Revenue @ new F/V Split	Final Adjusted Base Rates	Revenue Reconciliation @ Adjusted Rates
Fixed				
Variable				
<b>TOTAL</b>	-	\$ -	-	

Checks <sup>3</sup>	
Change in Fixed Rate	
Difference Between Revenues @ Proposed Rates and Class Specific Revenue Requirement	

#### Notes:

- <sup>1</sup> 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).
- <sup>2</sup> 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.
- <sup>3</sup> 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)

 Ontario Energy Board

# Revenue Requirement Workform (RRWF) for 2025 Filers

This sheet replaces Appendix 2-V, and provides a simplified model for calculating the standard model and volumetric 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 RRVW does not replace the rate generator model that an applicant distributor may use in support of its application. The RRVW 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.

<sup>1</sup> Transformer Ownership Allowance is entered as a positive amount, and only for those classes to which it applies.

<sup>2</sup> The Fixed/Variable split, for each customer class, drives the "rate generator" portion of this sheet of the RRFW. 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:  $[MSC \times (\text{average number of customers or connections}) \times 12 \text{ months}] / (\text{Class Allocated Revenue Requirement})$ .

<sup>3</sup> 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))]



## Appendix 6-A – Revenue Requirement Work Form



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.

<sup>(1)</sup> Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)

<sup>(2)</sup> Short description of change, issue, etc.

#### Summary of Proposed Changes

Reference <sup>(1)</sup>	Item / Description <sup>(2)</sup>	Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
		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	\$ 2,609,663	5.66%	\$ 46,068,213	\$ 53,776,552	\$ 4,033,241	\$ 2,095,996	\$ 315,539	\$ 8,760,349	\$ 13,781,547	\$ 938,603	\$ 12,842,944	\$ 126,195
1	Change												
2	Change												

## Appendix 6-B: OEB PILs Workform

## Appendix 6-B –PILs Workform

Ontario Energy Board

### Income Tax/PILs Workform for 2025 Filers

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	-821,978
Test Year - Payments in Lieu of Taxes (PILs)	T0	231,968
Test Year - Grossed-up PILs	T0	315,602
Effective Federal Tax Rate	T0	15.0%
Effective Ontario Tax Rate	T0	11.5%
<u>Calculation of Adjustments required to arrive at Taxable Income</u>		
Regulatory Income (before income taxes)	T1	1,697,328
Taxable Income	T1	875,350
Difference	calculated	-821,978 as above

## Appendix 6-B –PILs Workform

### Income Tax/PILs Workform for 2025 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	no loss carryforwards
6	A discussion is included in the application as to when the loss carry-forwards, if any, will be fully utilized	N/A	
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	

## Appendix 6-B –PILs Workform

# Income Tax/PILs Workform for 2025 Filers

		Test Year	Bridge Year
<b>Rate Base</b>	S	\$ 46,072,961	\$ 43,571,317
<b>Return on Ratebase</b>			
Deemed ShortTerm Debt %	4.00%	T \$ 1,842,918	$W = S * T$
Deemed Long Term Debt %	56.00%	U \$ 25,800,858	$X = S * U$
Deemed Equity %	40.00%	V \$ 18,429,184	$Y = S * V$
Short Term Interest Rate	6.23%	Z \$ 114,814	$AC = W * Z$
Long Term Interest	3.09%	AA \$ 797,790	$AD = X * AA$
<b>Return on Equity (Regulatory Income)</b>	9.21%	AB \$ 1,697,328	$AE = Y * AB$ <a href="#">T1</a>
<b>Return on Rate Base</b>		<b>\$ 2,609,932</b>	$AF = AC + AD + AE$

### Questions that must be answered

	Historical Year	Bridge Year	Test Year
1. Does the applicant have any Investment Tax Credits (ITC)?	No	No	No
2. Does the applicant have any SRED Expenditures?	No	No	No
3. Does the applicant have any Capital Gains or Losses for tax purposes?	No	No	No
4. Does the applicant have any Capital Leases?	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? <i>If Yes, please describe the tax treatment in the manager's summary.</i>	Yes	Yes	Yes
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 2025 Filers

### Tax Rates

Federal & Provincial  
As of MMM XX, 2019

#### Federal income tax

General Corporate Rate  
Federal Tax Abatement  
Adjusted Federal Rate

Rate Reduction

#### Federal Income Tax

#### Ontario Income Tax

#### Combined Federal and Ontario

#### Federal & Ontario Small Business

Federal Small Business Limit  
Ontario Small Business Limit

Federal Small Business Rate

Ontario Small Business Rate

	Effective January 1, 2018	Effective January 1, 2019	Effective January 1, 2020	Effective January 1, 2021	Effective January 1, 2022	Effective January 1, 2023	Effective January 1, 2024
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 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

- The Ontario Energy Board's proxy for taxable capital is rate base.
- The appropriate Federal and Ontario small business rates are calculated in the Income/PILs Workform. The Federal and Ontario small business deduction:
  - is applicable if taxable capital is below \$10 million.
  - is phased out with taxable capital of more than \$10 million.
  - 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.



Ontario Energy Board

# Income Tax/PILs Workform for 2025 Filers

## PILs Tax Provision - Historical Year

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

Regulatory Taxable Income  
Combined Tax Rate and PILs

Ontario Tax Rate (Maximum 11.5%)  
Federal tax rate (Maximum 15%)  
Combined tax rate (Maximum 26.5%)

11.50%  
15.00%

B  
C

[H1](#)

Wires Only

\$ 2,077,136 A

26.50% D = B+C

Total Income Taxes

\$ 550,441 E = A \* D

Investment Tax Credits  
Miscellaneous Tax Credits

F

G

Total Tax Credits

\$ - H = F + G

Corporate PILs/Income Tax Provision for Historical Year

\$ 550,441 I = E - H

# Appendix 6-B –PILs Workform



Ontario Energy Board

## Income Tax/PILs Workform for 2025 Filers

### Adjusted Taxable Income - Historical Year

	T251 line #	Total for Legal Entity	Non-Distribution Eliminations	Historic Wires Only
<b>Income before PILs/Taxes</b>	<b>(A + 101 + 102)</b>	<b>2,271,776</b>		<b>2,271,776</b>
<b>Additions:</b>				
Interest and penalties on taxes	103			0
Amortization of tangible assets	104	2,049,487		2,049,487
Amortization of intangible assets	106			0
Recapture of capital cost allowance from Schedule 8	107			0
Income inclusion under subparagraph 13(38)(d)(ii) from Schedule 10	108			0
Loss in equity of subsidiaries and affiliates	110			0
Loss on disposal of assets	111	2,125		2,125
Charitable donations and gifts from Schedule 2	112	6,254		6,254
Taxable capital gains from Schedule 6	113			0
Political contributions	114	4,449		4,449
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	6,432		6,432
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	5,874,841		5,874,841
Reserves from financial statements – balance at the end of the year	126	9,372,925		9,372,925
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	236			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
<b>Other additions</b>				
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
Opening Adj Expenditures in Regulatory Assets		256,367		256,367
Non-deductible other comprehensive income items		497,237		497,237
Inducement under 12(1)(x) ITA		493		493
				0
				0
				0
				0
				0
<b>Total Additions</b>		<b>18,070,610</b>	<b>0</b>	<b>18,070,610</b>
<b>Deductions:</b>				
Gain on disposal of assets per financial statements	401			0
Non-taxable dividends under section 83	402			0
Capital cost allowance from Schedule 8		2,760,821	60	2,760,761
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	8,379,174		8,379,174
Reserves from financial statements - balance at beginning of year	414	6,787,703		6,787,703
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
<b>Other deductions</b>				
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		127,938		127,938
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
Closing Adj Expenditures in Regulatory Assets		185,008		185,008
				0
Sale of scrap		24,666		24,666
				0
				0
				0
				0
<b>Total Deductions</b>		<b>18,265,310</b>	<b>60</b>	<b>18,265,250</b>
<b>Net Income for Tax Purposes</b>		<b>2,077,076</b>	<b>-60</b>	<b>2,077,136</b>
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
<b>TAXABLE INCOME</b>		<b>2,077,076</b>	<b>-60</b>	<b>2,077,136</b>

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Ontario Energy Board

# Income Tax/PILs Workform for 2025 Filers

## Schedule 4 Loss Carry Forward - Historical

### Corporation Loss Continuity and Application

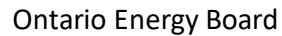
	Total	Non-Distribution Portion	Utility Balance
<b>Non-Capital Loss Carry Forward Deduction</b>			
Actual Historical			0

[B4](#)

	Total	Non-Distribution Portion	Utility Balance
<b>Net Capital Loss Carry Forward Deduction</b>			
Actual Historical			0

[B4](#)

## Appendix 6-B – PILs Workform



# Income Tax/PILs Workform for 2025 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)	\$ 10,418,494		\$ 10,418,494	B8
1b	Non-Residential Buildings [Reg. 1100(1)(a.1) election]	\$ 500,819		\$ 500,819	B8
2	Distribution System (acq'd pre 1988)			\$ -	B8
3	Buildings (acq'd pre 1988)			\$ -	B8
6	Certain Buildings; Fences	\$ 30,943		\$ 30,943	B8
8	General Office Equipment, Furniture, Fixtures	\$ 106,446		\$ 106,446	B8
10	Motor Vehicles, Fleet			\$ -	B8
10.1	Certain Automobiles			\$ -	B8
12	Computer Application Software (Non-Systems)			\$ -	B8
13 <sub>1</sub>	Lease # 1			\$ -	B8
13 <sub>2</sub>	Lease # 2			\$ -	B8
13 <sub>3</sub>	Lease # 3			\$ -	B8
13 <sub>4</sub>	Lease # 4			\$ -	B8
14	Limited Period Patents, Franchises, Concessions or Licences			\$ -	B8
14.1	Eligible Capital Property (acq'd pre 2017)	\$ 549,874		\$ 549,874	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	\$ 131,441		\$ 131,441	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	\$ 60		\$ 60	B8
45	Computers & System Software (acq'd post Mar 22/04 and pre Mar 19/07)	\$ 2		\$ 2	B8
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)			\$ -	B8
47	Distribution System (acq'd post Feb 22/05)	\$ 21,341,245		\$ 21,341,245	B8
50	General Purpose Computer Hardware & Software (acq'd post Mar 18/07)	\$ 2,360		\$ 2,360	B8
95	CWP	\$ 132,465		\$ 132,465	B8
10	Computer Hardware	\$ 162,797		\$ 162,797	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
				\$ -	
	SUB-TOTAL - UCC	33,376,945	0	33,376,945	



Ontario Energy Board

# Income Tax/PILs Workform for 2025 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
<b>Tax reserves not deducted for accounting purposes</b>			
Reserve for doubtful accounts ss. 20(1)(l)	286,010		286,010
Reserve for undelivered goods and services not rendered ss. 20(1)(m)	8,093,164		8,093,164
Reserve for unpaid amounts ss. 20(1)(n)			0
Debt & share issue expenses ss. 20(1)(e)			0
Other tax reserves			0
			0
			0
			0
			0
			0
<b>Total</b>	<b>8,379,174</b>	<b>0</b>	<b>8,379,174</b>
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>			
General reserve for inventory obsolescence (non-specific)			0
General reserve for bad debts			0
Accrued Employee Future Benefits:	993,751		993,751
- Medical and Life Insurance			0
- Short & Long-term Disability			0
- Accumulated Sick Leave			0
- Termination Cost			0
- Other Post-Employment Benefits			0
Provision for Environmental Costs			0
Restructuring Costs			0
Accrued Contingent Litigation Costs			0
Accrued Self-Insurance Costs			0
Other Contingent Liabilities			0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0
Other			0
			0
			0
<b>Total</b>	<b>993,751</b>	<b>0</b>	<b>993,751</b>

[B13](#)

## Appendix 6-B –PILs Workform



Ontario Energy Board

# Income Tax/PILs Workform for 2025 Filers

### PILS Tax Provision - Bridge Year

#### Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$284,925	11.5%	<b>B</b>
Federal (Max 15%)	15.0%	15.0%	\$371,642	15.0%	<b>C</b>

Combined effective tax rate (Max 26.5%)

#### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

#### Total Tax Credits

#### Corporate PILs/Income Tax Provision for Bridge Year

Reference **Wires Only**  
B1 \$ 2,477,611 A

26.50% D = B + C

\$ 656,567 E = A \* D

\$ - F

\$ - G

\$ - H = F + G

\$ 656,567 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.

## Appendix 6-B –PILs Workform



Ontario Energy Board

### Income Tax/PILs Workform for 2025 Filers

#### Adjusted Taxable Income - Bridge Year

	T2S1 line #	Working Paper Reference	Total for Regulated Utility
Income before PILs/Taxes	(A + 101 + 102)		2,188,273
<b>Additions:</b>			
Interest and penalties on taxes	103		
Amortization of tangible assets	104		2,085,829
Amortization of intangible assets	106		
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		4,000
Charitable donations and gifts from Schedule 2	112		15,021
Taxable capital gains	113		
Political contributions	114		4,449
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		7,970
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	8,379,174
Reserves from financial statements- balance at end of year	126	B13	993,751
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		
<b>Other Additions</b>			
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			

## Appendix 6-B –PILs Workform

<b>Deductions:</b>			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	B8	2,441,119
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	7,765,985
Reserves from financial statements - balance at beginning of year	414	B13	993,751
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
<b>Other deductions</b>			
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)			
<b>Total Deductions</b>		calculated	11,200,855
<b>Net Income for Tax Purposes</b>		calculated	2,477,611
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		
<b>TAXABLE INCOME</b>		calculated	2,477,611



Ontario Energy Board

# Income Tax/PILs Workform for 2025 Filers

## Corporation Loss Continuity and Application

### Schedule 4 Loss Carry Forward - Bridge Year

Non-Capital Loss Carry Forward Deduction		Total	
Actual Historical	<a href="#">H4</a>	0	
<b>Amount to be used in Bridge Year</b>	<a href="#">B1</a>	0	
Loss Carry Forward Generated in Bridge Year (if any)	<a href="#">B1</a>	0	
Other Adjustments			
Balance available for use post Bridge Year	calculated	0	<a href="#">T4</a>
Net Capital Loss Carry Forward Deduction		Total	
Actual Historical	<a href="#">H4</a>	0	
<b>Amount to be used in Bridge Year</b>			
Loss Carry Forward Generated in Bridge Year (if any)	<a href="#">B1</a>		
Other Adjustments			
Balance available for use post Bridge Year	calculated	0	<a href="#">T4</a>

## Appendix 6-B – PILs Workform



Ontario Energy Board

## Income Tax/PILs Workform for 2025 Filers

Schedule 8 CCA - Bridge Year

[illegible]

For additional details and guidance on calculating amounts in Schedule 8, refer to the notes to the Canada Revenue Agency published Schedule 8 - Capital Cost Allowance (CCA) (2018 and later tax years):

<https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/t2sch8/t2sch8-19e.pdf>



## Appendix 6-B –PILs Workform



Ontario Energy Board

### Income Tax/PILs Workform for 2025 Filers

#### Schedule 13 Tax Reserves - Bridge Year

##### Continuity of Reserves

Description	Reference	Historical Utility Only	Eliminate Amounts Not Relevant for Bridge Year	Adjusted Utility Balance	Bridge Year Adjustments		Balance for Bridge Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital gains reserves ss.40(1)	H13	0		0			0	T13	0
<b>Tax Reserves Not Deducted for Accounting Purposes</b>									
Reserve for doubtful accounts ss. 20(1)(l)	H13	286,010		286,010			286,010	T13	0
Reserve for goods and services not delivered ss. 20(1)(m)	H13	8,093,164	0	8,093,164	7,479,975	8,093,164	7,479,975	T13	-613,189
Reserve for unpaid amounts ss. 20(1)(n)	H13	0		0			0	T13	0
Debt & share issue expenses ss. 20(1)(e)	H13	0		0			0	T13	0
Other tax reserves	H13	0		0			0	T13	0
		0		0			0		0
		0		0			0		0
<b>Total</b>		<b>8,379,174</b>	<b>0</b>	<b>8,379,174</b>	<b>B1</b>	<b>7,479,975</b>	<b>7,765,985</b>	<b>B1</b>	<b>-613,189</b>
<b>Financial statement reserves (not deductible for tax purposes)</b>									
General Reserve for Inventory Obsolescence (non-specific)	H13	0		0			0	T13	0
General Reserve for Bad Debts	H13	0		0			0	T13	0
Accrued Employee Future Benefits:	H13	993,751		993,751			993,751	T13	0
- Medical and Life Insurance	H13	0		0			0	T13	0
- Short & Long-term Disability	H13	0		0			0	T13	0
- Accumulated Sick Leave	H13	0		0			0	T13	0
- Termination Cost	H13	0		0			0	T13	0
- Other Post-Employment Benefits	H13	0		0			0	T13	0
Provision for Environmental Costs	H13	0		0			0	T13	0
Restructuring Costs	H13	0		0			0	T13	0
Accrued Contingent Litigation Costs	H13	0		0			0	T13	0
Accrued Self-Insurance Costs	H13	0		0			0	T13	0
Other Contingent Liabilities	H13	0		0			0	T13	0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	H13	0		0			0	T13	0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	H13	0		0			0	T13	0
Other	H13	0		0			0	T13	0
		0		0			0		0
		0		0			0		0
<b>Total</b>		<b>993,751</b>	<b>0</b>	<b>993,751</b>	<b>B1</b>	<b>0</b>	<b>993,751</b>	<b>B1</b>	<b>0</b>

## Appendix 6-B –PILs Workform



Ontario Energy Board

# Income Tax/PILs Workform for 2025 Filers

### PILs Tax Provision - Test Year

#### Regulatory Taxable Income

	Tax Rate	Small Business Rate (If Applicable)	Taxes Payable	Effective Tax Rate	
Ontario (Max 11.5%)	11.5%	11.5%	\$ 100,665	11.5%	<b>B</b>
Federal (Max 15%)	15.0%	15.0%	\$ 131,302	15.0%	<b>C</b>

Combined effective tax rate (Max 26.5%)

#### Total Income Taxes

Investment Tax Credits  
Miscellaneous Tax Credits

#### Total Tax Credits

#### Corporate PILs/Income Tax Provision for Test Year

Corporate PILs/Income Tax Provision Gross Up <sup>1</sup>

Income Tax (grossed-up)

#### Note:

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

#### Wires Only

[T1](#) \$ 875,350 **A**

26.50% **D = B + C**

\$ 231,968 **E = A \* D**

**F**

**G**

\$ - **H = F + G**

\$ 231,968 **I = E - H**

[S. Summary](#)

73.50%

**J = 1-D**

\$ 83,635 **K = I/J-I**

\$ 315,602 **L = K + I**

[S. Summary](#)

## Appendix 6-B –PILs Workform



Ontario Energy Board

# Income Tax/PILs Workform for 2025 Filers

### Taxable Income - Test Year

	Working Paper Reference	Test Year Taxable Income
<b>Net Income Before Taxes</b>	<u>A.</u>	1,697,328
	<b>T2 S1 line #</b>	
<b>Additions:</b>		
Interest and penalties on taxes	103	
Amortization of tangible assets 2-4 ADJUSTED ACCOUNTING DATA P489	104	2,095,996
Amortization of intangible assets 2-4 ADJUSTED ACCOUNTING DATA P490	106	
Recapture of capital cost allowance from Schedule 8	107	<u>T8</u> 0
Income inclusion under subparagraph 13(38)(d)(iii) from Schedule 10	108	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations	114	
Deferred and prepaid expenses	116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125	<u>T13</u> 7,765,985
Reserves from financial statements- balance at end of year	126	<u>T13</u> 993,751
Soft costs on construction and renovation of buildings	127	
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest	227	
Non-deductible legal and accounting fees	228	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	
<b>Other Additions</b>		
Interest Expensed on Capital Leases	295	
Realized Income from Deferred Credit Accounts	295	
Pensions	295	
Non-deductible penalties	295	
	295	
	295	
	295	
ARO Accretion expense		
Capital Contributions Received (ITA 12(1)(x))		
Lease Inducements Received (ITA 12(1)(x))		
Deferred Revenue (ITA 12(1)(a))		
Prior Year Investment Tax Credits received		
<b>Total Additions</b>		10,855,732

## Appendix 6-B –PILs Workform

<b>Deductions:</b>			
Gain on disposal of assets per financial statements	401		
Dividends not taxable under section 83	402		
Capital cost allowance from Schedule 8	403	T8	2,713,386
Terminal loss from Schedule 8	404	T8	0
Allowable business investment loss	406		
Deferred and prepaid expenses	409		
Scientific research expenses claimed in year	411		
Tax reserves end of year	413	T13	7,765,985
Reserves from financial statements - balance at beginning of year	414	T13	993,751
Contributions to deferred income plans	416		
Book income of joint venture or partnership	305		
Equity in income from subsidiary or affiliates	306		
<b>Other deductions</b>			
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		
	395		
	395		
	395		
	395		
ARO Payments - Deductible for Tax when Paid			
ITA 13(7.4) Election - Capital Contributions Received			
ITA 13(7.4) Election - Apply Lease Inducement to cost of Leaseholds			
Deferred Revenue - ITA 20(1)(m) reserve			204,589
Principal portion of lease payments			
Lease Inducement Book Amortization credit to income			
Financing fees for tax ITA 20(1)(e) and (e.1)			
<b>Total Deductions</b>		calculated	11,677,710
<b>NET INCOME FOR TAX PURPOSES</b>		calculated	875,350
Charitable donations	311		
Taxable dividends received under section 112 or 113	320		
Non-capital losses of previous tax years from Schedule 4	331	T4	0
Net capital losses of previous tax years from Schedule 4	332	T4	0
Limited partnership losses of previous tax years from Schedule 4	335		
<b>REGULATORY TAXABLE INCOME</b>		calculated	875,350

T0



Ontario Energy Board

# Income Tax/PILs Workform for 2025 Filers

## Schedule 4 Loss Carry Forward - Test Year

### Corporation Loss Continuity and Application

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

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

# Appendix 6-B –PILs Workform

Ontario Energy Board

## Income Tax/PILs Workform for 2025 Filers

Schedule B CCA - Test Year

(1) Class	Class Description <small>Only if addition under section 110(1) (2) or 110(1) (3) is required, enter "1" or "2" that is applicable to the class.</small>	Working Paper Reference	(2) Undepreciated capital cost (UCC) at the beginning of the year	(3) Cost of acquisitions during the year (new property must be available for use except CHPP)	(4) Cost of acquisitions from column 3 that are designated immovable property (DEP)	(5) Adjustments and transfers (enter amount that will reduce the UCC as required)	(6) Amount from column 5 that is excess (enter amount that will reduce the UCC as required)	(7) Amount from column 5 that is excess (enter amount that will reduce the UCC as required)	(8) Proceeds of dispositions	(9) Proceeds of dispositions of the DEP (enter amount from column 8 that relates to the DEP reported in column 4)	(10) UCC (column 2 plus column 3 plus or minus column 9)	(11) UCC of the DEP (enter the UCC amount that relates to the DEP reported in column 4)	(12) Immediate expensing	(13) Cost of acquisitions on a number of classes (column 3 minus column 4 plus column 11 minus column 12)	(14) Cost of acquisitions on a number of classes (column 3 minus column 4 plus column 11 minus column 12)	(15) Remaining UCC (column 10 minus column 12) (if negative, enter "0")	(16) Proceeds of dispositions available to reduce the UCC of the DEP (enter amount from column 9 that relates to the DEP reported in column 4)	(17) Net capital cost of the DEP (enter amount from column 9 that relates to the DEP reported in column 4)	(18) UCC adjustment for non-DEP and property included in Classes 54 to 56 (column 10 minus column 12 plus column 13 minus column 14 minus column 15 (if negative, enter "0"))	(19) UCC adjustment for non-DEP and property included in Classes 54 to 56 (column 10 minus column 12 plus column 13 minus column 14 minus column 15 (if negative, enter "0"))	(20) CCA Rate %	(21) Reapture of CCA	(22) Terminal Loss	(23) CCA for declining balance method (the result of column 15 plus column 16 minus column 17, multiplied by column 18 plus column 19 minus column 20 or lower amount, plus column 22)	(24) UCC at the end of the year (column 10 minus column 23)		
1	Buildings, Distribution System (and post 1987)	101	\$	10,001,754	0						\$	10,001,754		\$	10,001,754	\$	0	\$	0	4%			\$	400,072	\$	9,601,682	
1b	Non-Residential Buildings (Reg. 1100(16.1) election)	102	\$	636,672	128,000						\$	760,672		\$	128,000	\$	760,672	\$	0	\$	8%			\$	41,890	\$	718,782
2	Transmission System (and post 1989)	103	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	8%			\$	-	\$	-
3	Building (and post 1989)	104	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	8%			\$	-	\$	-
4	Certain Buildings, Fences	105	\$	27,849	-						\$	27,849		\$	-	\$	27,849	\$	0	\$	100%			\$	2,785	\$	25,064
5	General Office Equipment, Furniture, Fixtures	106	\$	124,676	160,600						\$	289,276		\$	160,600	\$	228,676	\$	0	\$	20%			\$	42,855	\$	250,421
10	Motor Vehicles, Fleet	107	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	30%			\$	-	\$	-
10.1	Certain Automobiles	108	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
12	Computer Application Software (Non-Systems)	109	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
13	Class # 1	110	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
13.1	Class # 2	111	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
13.2	Class # 3	112	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
13.3	Class # 4	113	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
14	Limited Period Patents, Franchises, Concessions or Licences	114	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
14.1	Eligible Capital Property (and post Jan 1, 2017)	115	\$	511,383	-						\$	511,383		\$	-	\$	511,383	\$	0	\$	7%			\$	36,797	\$	474,586
14.1	Eligible Capital Property (and post Jan 1, 2017)	116	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	8%			\$	-	\$	-
17	Power Generation Facility, Wind-Rising, and post Feb 2006 (Bonds, Loans, Storage)	117	\$	331,771	0						\$	331,771		\$	-	\$	331,771	\$	0	\$	8%			\$	26,545	\$	308,226
42	Pipes, Cables, Cable	118	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
43.1	Certain Clean Energy/Efficient Generation Equipment	119	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
43.2	Certain Clean Energy/Efficient Generation Equipment	120	\$	50	0						\$	50		\$	-	\$	50	\$	0	\$	100%			\$	10	\$	40
46	Computers & System Software (and post Mar 2004 and pre Mar 1989)	121	\$	1	-						\$	1		\$	-	\$	1	\$	0	\$	100%			\$	0	\$	1
46	Core Network Infrastructure Equipment (and post Mar 2004)	122	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
47	Transmission System (and post Feb 2009)	123	\$	22,485,509	3,729,369						\$	26,214,878		\$	3,729,369	\$	26,452,247	\$	0	\$	8%			\$	1,983,627	\$	24,468,620
50	General Purpose Computer Hardware & Software (and post Mar 1989)	124	\$	21,151	140,000						\$	161,151		\$	-	\$	161,151	\$	0	\$	100%			\$	16,115	\$	145,036
55	CHPP	125	\$	132,405	-						\$	132,405		\$	-	\$	132,405	\$	0	\$	8%			\$	-	\$	132,405
56	Computer Hardware	126	\$	188,028	681,436						\$	869,464		\$	-	\$	869,464	\$	0	\$	100%			\$	146,013	\$	723,451
		127	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		128	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		129	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		130	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		131	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		132	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		133	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		134	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		135	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		136	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		137	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		138	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		139	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		140	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		141	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		142	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		143	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		144	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		145	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		146	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		147	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		148	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		149	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		150	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		151	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		152	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		153	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		154	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		155	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		156	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		157	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		158	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		159	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		160	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		161	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		162	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		163	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		164	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		165	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		166	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		167	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		168	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		169	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		170	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		171	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		172	\$	-	-						\$	-		\$	-	\$	-	\$	0	\$	100%			\$	-	\$	-
		173	\$	-	-						\$	-		\$	-	\$	-										

## Appendix 6-B –PILs Workform



Ontario Energy Board

### Income Tax/PILs Workform for 2025 Filers

#### Schedule 13 Tax Reserves - Test Year

##### Continuity of Reserves

Description	Working Paper Reference	Bridge Year	Eliminate Amounts Not Relevant for Test Year	Adjusted Utility Balance	Test Year Adjustments		Balance for Test Year	Change During the Year	Disallowed Expenses
					Additions	Disposals			
Capital Gains Reserves ss.40(1)	B13	0		0			0		0
<b>Tax Reserves Not Deducted for accounting purposes</b>									
Reserve for doubtful accounts ss. 20(1)(l)	B13	286,010		286,010			286,010		0
Reserve for goods and services not delivered ss. 20(1)(m)	B13	7,479,975		7,479,975			7,479,975		0
Reserve for unpaid amounts ss. 20(1)(n)	B13	0		0			0		0
Debt & Share Issue Expenses ss. 20(1)(e)	B13	0		0			0		0
Other tax reserves	B13	0		0			0		0
		0		0			0		0
		0		0			0		0
<b>Total</b>		7,765,985	0	7,765,985	T1	0	7,765,985	T1	0
<b>Financial Statement Reserves (not deductible for Tax Purposes)</b>									
General Reserve for Inventory Obsolescence (non-specific)	B13	0		0			0		0
General reserve for bad debts	B13	0		0			0		0
Accrued Employee Future Benefits:	B13	993,751		993,751			993,751		0
- Medical and Life Insurance	B13	0		0			0		0
- Short & Long-term Disability	B13	0		0			0		0
- Accumulated Sick Leave	B13	0		0			0		0
- Termination Cost	B13	0		0			0		0
- Other Post-Employment Benefits	B13	0		0			0		0
Provision for Environmental Costs	B13	0		0			0		0
Restructuring Costs	B13	0		0			0		0
Accrued Contingent Litigation Costs	B13	0		0			0		0
Accrued Self-Insurance Costs	B13	0		0			0		0
Other Contingent Liabilities	B13	0		0			0		0
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	B13	0		0			0		0
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	B13	0		0			0		0
Other	B13	0		0			0		0
		0		0			0		0
		0		0			0		0
<b>Total</b>		993,751	0	993,751	T1	0	993,751	T1	0

## Appendix 6-C: 2023 Corporate Income Tax Return



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](https://canada.ca/taxes) or Guide T4012, T2 Corporation – Income Tax Guide.

**055** Do not use this area

## Identification

**Business number (BN)** ..... **001** 86375 9692 RC0001

## Corporation's name

**002** Welland Hydro Electric System Corp.

## Address of head office

Has this address changed since the last

time the CRA was notified? ..... **010** Yes ☐ No ☒If **yes**, complete lines 011 to 018.**011** 950 East Main Street**012** P.O. Box 280

City Province, territory, or state

**015** Welland

Country (other than Canada) Postal or ZIP code

**017** **018** L3B 5P6

## Mailing address (if different from head office address)

Has this address changed since the last

time the CRA was notified? ..... **020** Yes ☐ No ☒If **yes**, complete lines 021 to 028.**021** c/o**022****023**

City Province, territory, or state

**025** **026**

Country (other than Canada) Postal or ZIP code

**027** **028**

## Location of books and records (if different from head office address)

Has this address changed since the last

time the CRA was notified? ..... **030** Yes ☐ No ☒If **yes**, complete lines 031 to 038.**031** 950 East Main Street**032** P.O. Box 280

City Province, territory, or state

**035** **036** ON

Country (other than Canada) Postal or ZIP code

**037** **038** L3B 5P6**040** Type of corporation at the end of the tax year (tick one)

- ☒ 1 Canadian-controlled private corporation (CCPC)  
☐ 2 Other private corporation  
☐ 3 Public corporation  
☐ 4 Corporation controlled by a public corporation  
☐ 5 Other corporation (specify) \_\_\_\_\_

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

Year Month Day

## To which tax year does this return apply?

Tax year start

Year Month Day

**060** 2023-01-01

Tax year-end

Year Month Day

**061** 2023-12-31**060** Has there been an acquisition of control  
resulting in the application of  
subsection 249(4) since the tax year  
start on line 060? ..... **063** Yes ☐ No ☒If **yes**, provide the datecontrol was acquired ..... **065** Year Month Day**066** Is the date on line 061 a deemed  
tax year-end according to  
subsection 249(3.1)? ..... **066** Yes ☐ No ☒**067** Is the corporation a professional  
corporation that is a member of  
a partnership? ..... **067** Yes ☐ No ☒**070** Is this the first year of filing after:Incorporation? ..... **070** Yes ☐ No ☒Amalgamation? ..... **071** Yes ☐ No ☒If **yes**, complete lines 030 to 038 and attach Schedule 24.**072** Has there been a wind-up of a  
subsidiary under section 88 during the  
current tax year? ..... **072** Yes ☐ No ☒If **yes**, complete and attach Schedule 24.**076** Is this the final tax year  
before amalgamation? ..... **076** Yes ☐ No ☒**078** Is this the final return up to  
dissolution? ..... **078** Yes ☐ No ☒**079** If an election was made under  
section 261, state the functional  
currency used ..... **079****080** Is the corporation a resident of Canada? **080** Yes ☒ No ☐If **no**, give the country of residence on line 081 and complete and attach  
Schedule 97.**081****082** Is the non-resident corporation  
claiming an exemption under  
an income tax treaty? ..... **082** Yes ☐ No ☒If **yes**, complete and attach Schedule 91.**085** 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?	<b>150</b> <input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<b>160</b> <input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<b>161</b> <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<b>151</b> <input type="checkbox"/>	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	<b>162</b> <input type="checkbox"/>	11
If you answered <b>yes</b> 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?	<b>163</b> <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<b>164</b> <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<b>165</b> <input checked="" type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<b>166</b> <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<b>167</b> <input type="checkbox"/>	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)?	<b>168</b> <input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<b>169</b> <input type="checkbox"/>	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?	<b>170</b> <input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<b>171</b> <input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<b>173</b> <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<b>172</b> <input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<b>180</b> <input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<b>201</b> <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<b>202</b> <input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<b>203</b> <input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<b>204</b> <input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<b>205</b> <input checked="" type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<b>206</b> <input type="checkbox"/>	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)?	<b>207</b> <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<b>208</b> <input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<b>212</b> <input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<b>213</b> <input checked="" type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<b>216</b> <input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<b>217</b> <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<b>218</b> <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<b>220</b> <input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<b>221</b> <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits or zero-emission technology manufacturing profits?	<b>227</b> <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<b>231</b> <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<b>232</b> <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<b>233</b> <input checked="" type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<b>234</b> <input checked="" type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<b>238</b> <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<b>242</b> <input type="checkbox"/>	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?	<b>243</b> <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<b>244</b> <input type="checkbox"/>	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?	<b>250</b> <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<b>253</b> <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<b>254</b> <input type="checkbox"/>	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	<b>272</b> <input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<b>255</b> <input type="checkbox"/>	92

**Attachments (continued)**

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input type="checkbox"/>	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?	<input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	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?	<input checked="" type="checkbox"/>	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?	<input type="checkbox"/>	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	<input type="checkbox"/>	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	<input type="checkbox"/>	59
Is the corporation claiming an air quality improvement tax credit?	<input type="checkbox"/>	65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	<input type="checkbox"/>	68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	<input type="checkbox"/>	56

**Additional information**

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the corporation inactive?	280	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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	Power Distribution	285	100.000 %	
	286		287	%	
	288		289	%	
Did the corporation immigrate to Canada during the tax year?	291	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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	<input type="checkbox"/>	No	<input type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	2,077,076	A
<b>Deduct:</b>			
Charitable donations from Schedule 2	311	6,254	
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		6,254	B
Subtotal (amount A minus amount B) (if negative, enter "0")		2,070,822	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
<b>Taxable income</b> (amount C plus amount D)	360	2,070,822	
<b>Taxable income</b> for the year from a personal services business			Z.1

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

**Small business deduction****Canadian-controlled private corporations (CCPCs) throughout the tax year**

Income eligible for the small business deduction from Schedule 7	400	2,077,076	A
Taxable income from line 360 on page 3, <b>minus</b> 100/28 ( 3.57143 ) of the amount on line 632* on page 8, <b>minus</b> 4 times the amount on line 636** on page 8, and <b>minus</b> any amount that, because of federal law, is exempt from Part I tax	405	2,070,822	B
Business limit (see notes 1 and 2 below)	410	500,000	C

**Notes:**

- 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.
- 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  $\frac{500,000}{11,250} \times \frac{108,696}{11,250}$  **415** \*\*\* D = ..... E1

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

Amount C  $\frac{500,000}{90,000} \times \frac{108,696}{90,000}$  **415** \*\*\* D = ..... 603,867 E2

Amount E1 or amount E2, whichever applies 603,867 ► 603,867 E3

**Passive income business limit reduction**

Adjusted aggregate investment income from Schedule 7\*\*\*\* . **417** - 50,000 = .. F

Amount C  $\frac{500,000}{100,000} \times$  Amount F = ..... G

The greater of amount E3 and amount G **422** 603,867 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	M Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L <sup>3</sup>	N Business limit assigned to corporation identified in column L <sup>4</sup>
	<b>490</b>	<b>500</b>	<b>505</b>
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	2,070,822	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	<b>432</b>	D
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*		E
Aggregate investment income from line 440 on page 6**		F
Subtotal (add amounts B to F)		G
Amount A minus amount G (if negative, enter "0")	2,070,822	H
General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 %	269,207	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	<b>434</b>	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	<b>440</b>	x	30 2 / 3 %	=		A	
Foreign non-business income tax credit from line 632 on page 8						B	
Foreign investment income from Schedule 7	<b>445</b>	x	8 %	=		C	
Subtotal (amount B <b>minus</b> amount C) (if negative, enter "0")						D	
Amount A <b>minus</b> amount D (if negative, enter "0")						E	
Taxable income from line 360 on page 3					2,070,822	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 ( <b>add</b> amounts G to I)						J	
Subtotal (amount F <b>minus</b> amount J)					2,070,822	K	
				x	30 2 / 3 %	=	
							L
Part I tax payable minus investment tax credit refund (line 700 <b>minus</b> line 780 from page 9)							M
<b>Refundable portion of Part I tax</b> – Amount E, L, or M, whichever is the least						<b>450</b>	N

\* This is not applicable to substantive CCPCs.

**Refundable dividend tax on hand**

Eligible refundable dividend tax on hand (ERDTH) at the end of the previous tax year (line 530 of the preceding tax year)	520	A
Non-eligible refundable dividend tax on hand (NERDTH) 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 <b>plus</b> amount D)		E
Net ERDTH transferred on an amalgamation or the wind-up of a subsidiary	525	F
ERDTH 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 ERDTH (amount E)	J	
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)	K	
Subtotal (amount I <b>minus</b> total of amounts J and K)		L
Net NERDTH transferred on an amalgamation or the wind-up of a subsidiary	540	M
NERDTH 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 NERDTH, net of losses claimed (amount L <b>minus</b> amount O) (if negative enter "0")		P
<b>NERDTH at the end of the tax year</b> (total of amounts B, H, M, and P <b>minus</b> amount N) (if negative, enter "0")	545	
Part IV tax payable allocated to ERDTH, net of losses claimed (amount E <b>minus</b> the amount, if any, by which amount O exceeds amount L) (if negative, enter "0")		Q
<b>ERDTH at the end of the tax year</b> (total of amounts A, F, and Q <b>minus</b> 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
ERDTH balance at the end of the tax year (line 530)		BB
<b>Eligible dividend refund</b> (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)	421,667	DD
NERDTH balance at the end of the tax year (line 545)		EE
<b>Non-eligible dividend refund</b> (amount DD or EE, whichever is less)		FF
Amount DD <b>minus</b> amount EE (if negative, enter "0")	421,667	GG
Amount BB <b>minus</b> amount CC (if negative, enter "0")		HH
<b>Additional non-eligible dividend refund</b> (amount GG or HH, whichever is less)		II
<b>Dividend refund</b> – Amount CC <b>plus</b> amount FF <b>plus</b> 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) <b>multiplied by 38 %</b>	<b>550</b>	<b>786,912</b>	<b>A</b>
<b>Additional tax on personal services business income</b> (section 123.5)			
Taxable income from a personal services business	<b>555</b>	x 5 % = <b>560</b>	<b>B</b>
Additional tax on banks and life insurers from Schedule 68	<b>565</b>		<b>C</b>
Recapture of investment tax credit from Schedule 31	<b>602</b>		<b>D</b>
<b>Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income</b> (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			<b>E</b>
Taxable income from line 360 on page 3	<b>2,070,822</b>		<b>F</b>
<b>Deduct:</b>			
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least*			<b>G</b>
Net amount (amount <b>F</b> minus amount <b>G</b> )	<b>2,070,822</b>	<b>2,070,822</b>	<b>H</b>
Refundable tax on CCPC's or substantive CCPC's investment income – 10 2 / 3 % of whichever is less: amount <b>E</b> or amount <b>H</b>		<b>604</b>	<b>I</b>
Subtotal ( <b>add</b> amounts <b>A</b> , <b>B</b> , <b>C</b> , <b>D</b> , and <b>I</b> )		<b>786,912</b>	<b>J</b>
<b>Deduct:</b>			
Small business deduction from line 430 on page 4			<b>K</b>
Federal tax abatement	<b>608</b>	<b>207,082</b>	
Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27	<b>616</b>		
Investment corporation deduction	<b>620</b>		
Taxed capital gains <b>624</b>			
Federal foreign non-business income tax credit from Schedule 21	<b>632</b>		
Federal foreign business income tax credit from Schedule 21	<b>636</b>		
General tax reduction for CCPCs from amount <b>I</b> on page 5	<b>638</b>	<b>269,207</b>	
General tax reduction from amount <b>P</b> on page 5	<b>639</b>		
Federal logging tax credit from Schedule 21	<b>640</b>		
Eligible Canadian bank deduction under section 125.21	<b>641</b>		
Federal qualifying environmental trust tax credit	<b>648</b>		
Investment tax credit from Schedule 31	<b>652</b>		
Subtotal		<b>476,289</b>	<b>L</b>
<b>Part I tax payable</b> – Amount <b>J</b> minus amount <b>L</b>		<b>310,623</b>	<b>M</b>
Enter amount <b>M</b> 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](https://canada.ca/cra-information-about-programs).



**Summary of tax and credits****Federal tax**

Part I tax payable from amount M on page 8	700	310,623
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	

**Add provincial or territorial tax:**

Total federal tax 310,623

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 74,763

**Deduct other credits:**

Total tax payable 770 385,386 A

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	58,600
Total credits	890	58,600

Balance (amount A minus amount B) 326,786

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.

Refund code 894

Refund

Balance owing 326,786

For information on how to enrol for direct deposit, go to [canada.ca/cra-direct-deposit](https://canada.ca/cra-direct-deposit).For information on how to make your payment, go to [canada.ca/payments](https://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 X

If this return was prepared by a tax preparer for a fee, provide their: EFILE number 920 A6698  
ReplD 925**Certification**

I, 950 Carver 951 Kevin 954 President

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 2024-06-10 956 (905) 732-1381  
Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation Telephone number

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

958 959  
Name of other authorized person 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

**Welland Hydro Electric System Corp.**

Election Attachments to T2 PILS Return

Taxation Year: December 31, 2023

BN: 86375 9692 RC0001

Election under Subection 13(7.4) to reduce the capital cost of depreciable property where inducement received.

The above taxpayer hereby elects to have subsection 13(7.4) apply to reduce the capital cost of the depreciable property listed below with respect of assistance received in the 2023 taxation year.

- Capital cost of depreciable property: Class 47 - \$4,654,494.
- Amount of assistance and the date it was received - \$1,232,600.

Corporation's name	Business number	Tax year end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 RC0001	2023-12-31

**General Index of Financial Information**

**Notes to the financial statements**

<p>Election under Subection 13(7.4) to reduce the capital cost of depreciable property where inducement received: Taxation Year: December 31, 2021 The above taxpayer hereby elects to have subsection 13(7.4) apply to reduce the capital cost of the depreciable property listed below with respect of assistance received in the 2023 taxation year.</p> <ul style="list-style-type: none"><li>. Capital cost of depreciable property: Class 47 - \$4,654,494.</li><li>. Amount of assistance and the date it was received - \$1,232,600.</li></ul>
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**Net Income (Loss) for Income Tax Purposes****Schedule 1**

Corporation's name <b>Welland Hydro Electric System Corp.</b>	Business number <b>86375 9692 RC0001</b>	Tax year-end Year Month Day <b>2023-12-31</b>
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- 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 ..... **1,774,630 A**

**Add:**

Provision for income taxes – current	<b>101</b>	758,085	
Amortization of tangible assets	<b>104</b>	2,049,487	
Loss on disposal of assets	<b>111</b>	2,125	
Charitable donations and gifts from Schedule 2	<b>112</b>	6,254	
Non-deductible meals and entertainment expenses	<b>121</b>	6,432	
Other reserves on lines 270 and 275 from Schedule 13	<b>125</b>	5,874,841	
Reserves from financial statements – balance at the end of the year	<b>126</b>	9,372,925	
Subtotal of additions		18,070,149	<b>18,070,149</b>

**Add:**

Taxable/non-deductible other comprehensive income items	<b>239</b>	497,237	
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**Other additions:**

1 Description <b>605</b>	2 Amount <b>295</b>		
1 Inducement under 12(1)(x) ITA	493		
2 Tax included in regulatory movement	0		
3 Non-deductible municipal donations	4,449		
4 Capital contributions received 12(1)(x)	1,232,600		
5 Regulatory adjustment	256,367		
<b>Total of column 2</b>	<b>1,493,909</b>	<b>296</b>	1,493,909
Subtotal of other additions	<b>199</b>	1,991,146	<b>1,991,146 D</b>
<b>Total additions</b>	<b>500</b>	20,061,295	<b>20,061,295</b>

Amount A plus line 500 ..... **21,835,925 B**

**Deduct:**

Capital cost allowance from Schedule 8	<b>403</b>	2,760,821	
Other reserves on line 280 from Schedule 13	<b>413</b>	8,379,174	
Reserves from financial statements – balance at the beginning of the year	<b>414</b>	6,787,703	
Subtotal of deductions		17,927,698	<b>17,927,698</b>

**Deduct:****Other deductions:**

1 Description <b>705</b>	2 Amount <b>395</b>		
1 Regulatory deduction	185,008		
2 Amortization of contributed capital	127,938		
3 Sale of scrap	24,666		
4 OMERS capitalized by acctng	0		
5 Tax included in regulatory movement	260,939		
6 ITA 13(7.4) Election - capital contributions received	1,232,600		
<b>Total of column 2</b>	<b>1,831,151</b>	<b>396</b>	1,831,151

Subtotal of other deductions	499	1,831,151	▶	1,831,151	E
Total deductions	510	19,758,849	▶	19,758,849	
Net income (loss) for income tax purposes (amount B minus line 510)				2,077,076	C
Enter amount C on line 300 of the T2 return.					



# Inducement

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

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

## Tax credits whose amount should be added to income

### Federal

A		
<input checked="" type="checkbox"/>	Investment tax credit from apprenticeship job creation expenditures	493
<input checked="" type="checkbox"/>	Investment tax credit from child care spaces expenditures	
<input type="checkbox"/>	Canadian film or video production tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
<input type="checkbox"/>	Film or video production services tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
<input checked="" type="checkbox"/>	Investment tax credit claimed on contributions made to SR&ED farming organizations	
<input type="checkbox"/>	Canadian journalism labour tax credit	
<input type="checkbox"/>	Return of fuel charge proceeds to farmers tax credit	
<input type="checkbox"/>	Air quality improvement tax credit*	
	* Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	

**Tax credits whose amount should reduce the capital cost of property**



## Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 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)
St. Kevin's Parish	2,500
Heart & Stroke	252
The Hope Centre	1,500
Canadian Cancer Society	102
The Hope Centre	100
Niagara Health Foundation	1,000
Hamilton Health Sciences Foundation	200
Community Care - St. Catharines	100
Our Youth at Work Association	500
	Subtotal 6,254
	<b>Add:</b> Total donations of less than \$100 each
	Total donations in current tax year 6,254



**Part 1 – Charitable donations**

	Federal	Québec	Alberta
Charitable donations at the end of the previous tax year . . . . .	1A		
Charitable donations expired after five tax years* . . . . .	<b>239</b>		
Charitable donations at the beginning of the current tax year (amount 1A <b>minus</b> line 239) . . . . .	<b>240</b>		
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>250</b>		
Total charitable donations made in the current year . . . . . (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	<b>210</b> 6,254	6,254	6,254
Subtotal (line 250 <b>plus</b> line 210) . . . . .	6,254 1B	6,254	6,254
Subtotal (line 240 <b>plus</b> amount 1B) . . . . .	6,254 1C	6,254	6,254
Adjustment for an acquisition of control . . . . .	<b>255</b>		
Total charitable donations available (amount 1C <b>minus</b> line 255) . . . . .	6,254 1D	6,254	6,254
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) . . . . .	<b>260</b> 6,254	6,254	6,254
(enter this amount on line 311 of the T2 return)			
Charitable donations closing balance (amount 1D <b>minus</b> line 260) . . . . .	<b>280</b>		
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) . . . . .	<b>262</b>		
Ontario community food program donation tax credit for farmers (amount on line 262 <b>multiplied by</b> 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) . . . . .	<b>263</b>		
Nova Scotia food bank tax credit for farmers (amount on line 263 <b>multiplied by</b> 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) . . . . .	<b>265</b>		
British Columbia farmers' food donation tax credit (amount on line 265 <b>multiplied by</b> 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
1 <sup>st</sup> prior year	2022-12-31			
2 <sup>nd</sup> prior year	2021-12-31			
3 <sup>rd</sup> prior year	2020-12-31			
4 <sup>th</sup> prior year	2019-12-31			
5 <sup>th</sup> prior year	2018-12-31			
6 <sup>th</sup> prior year*	2017-12-31			
7 <sup>th</sup> prior year	2016-12-31			
8 <sup>th</sup> prior year	2015-12-31			
9 <sup>th</sup> prior year	2014-12-31			
10 <sup>th</sup> prior year	2013-12-31			
11 <sup>th</sup> prior year	2012-12-31			
12 <sup>th</sup> prior year	2011-12-31			
13 <sup>th</sup> prior year	2010-12-31			
14 <sup>th</sup> prior year	2009-12-31			
15 <sup>th</sup> prior year	2008-12-31			
16 <sup>th</sup> prior year	2007-12-31			
17 <sup>th</sup> prior year	2006-12-31			
18 <sup>th</sup> prior year	2005-12-31			
19 <sup>th</sup> prior year	2004-12-31			
20 <sup>th</sup> prior year	2003-12-31			
21 <sup>st</sup> prior year*	2002-12-31			
<b>Total (to line A)</b>				

\* For federal and Alberta tax purposes, donations and gifts included on line 6<sup>th</sup> 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 6<sup>th</sup> prior year and donations and gifts that are included on line 21<sup>st</sup> prior year expire automatically in the current tax year.

**Part 2 – Maximum allowable deduction for charitable donations**

Net income for tax purposes (Note 1) multiplied by 75 %	1,557,807	2A
Taxable capital gains arising in respect of gifts of capital property included in Part 1 (Note 2)	225	
Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01)	227	
The amount of the recapture of capital cost allowance in respect of charitable donations	230	
Proceeds of disposition, less outlays and expenses (Note 2)	2B	
Capital cost (Note 2)	2C	
Amount 2B or 2C, whichever is less	235	
Amount on line 230 or 235, whichever is less	2D	
Subtotal (add lines 225, 227, and amount 2D)	2E	
Amount 2E multiplied by 25 %	2F	
Subtotal (amount 2A plus amount 2F)	1,557,807	2G
<b>Maximum allowable deduction for charitable donations</b> (enter amount 1D from Part 1, amount 2G, or net income for tax purposes, whichever is the least)	6,254	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* . . . . .	<b>439</b>		
Gifts of certified cultural property at the beginning of the current tax year (amount 3A <b>minus</b> line 439) . . . . .	<b>440</b>		
Gifts of certified cultural property transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>450</b>		
Total gifts of certified cultural property in the current year . . . . .	<b>410</b>		
(include this amount on line 112 of Schedule 1)			
Subtotal (line 450 <b>plus</b> line 410)	3B		
Subtotal (line 440 <b>plus</b> amount 3B)	3C		
Adjustment for an acquisition of control . . . . .	<b>455</b>		
Amount applied in the current year against taxable income . . . . .	<b>460</b>		
(enter this amount on line 313 of the T2 return)			
Subtotal (line 455 <b>plus</b> line 460)	3D		
Gifts of certified cultural property closing balance (amount 3C <b>minus</b> amount 3D) . . . . .	<b>480</b>		
* 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
1 <sup>st</sup> prior year . . . . .	2022-12-31			
2 <sup>nd</sup> prior year . . . . .	2021-12-31			
3 <sup>rd</sup> prior year . . . . .	2020-12-31			
4 <sup>th</sup> prior year . . . . .	2019-12-31			
5 <sup>th</sup> prior year . . . . .	2018-12-31			
6 <sup>th</sup> prior year* . . . . .	2017-12-31			
7 <sup>th</sup> prior year . . . . .	2016-12-31			
8 <sup>th</sup> prior year . . . . .	2015-12-31			
9 <sup>th</sup> prior year . . . . .	2014-12-31			
10 <sup>th</sup> prior year . . . . .	2013-12-31			
11 <sup>th</sup> prior year . . . . .	2012-12-31			
12 <sup>th</sup> prior year . . . . .	2011-12-31			
13 <sup>th</sup> prior year . . . . .	2010-12-31			
14 <sup>th</sup> prior year . . . . .	2009-12-31			
15 <sup>th</sup> prior year . . . . .	2008-12-31			
16 <sup>th</sup> prior year . . . . .	2007-12-31			
17 <sup>th</sup> prior year . . . . .	2006-12-31			
18 <sup>th</sup> prior year . . . . .	2005-12-31			
19 <sup>th</sup> prior year . . . . .	2004-12-31			
20 <sup>th</sup> prior year . . . . .	2003-12-31			
21 <sup>st</sup> prior year* . . . . .	2002-12-31			
<b>Total</b> . . . . .				
* For federal and Alberta tax purposes, donations and gifts included on line 6 <sup>th</sup> 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 6 <sup>th</sup> prior year and donations and gifts that are included on line 21 <sup>st</sup> prior year expire automatically in the current tax year.				

**Part 4 – Gifts of certified ecologically sensitive land**

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

\* 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		Federal	Québec	Alberta
Year of origin:				
1 <sup>st</sup> prior year	2022-12-31			
2 <sup>nd</sup> prior year	2021-12-31			
3 <sup>rd</sup> prior year	2020-12-31			
4 <sup>th</sup> prior year	2019-12-31			
5 <sup>th</sup> prior year	2018-12-31			
6 <sup>th</sup> prior year*	2017-12-31			
7 <sup>th</sup> prior year	2016-12-31			
8 <sup>th</sup> prior year	2015-12-31			
9 <sup>th</sup> prior year	2014-12-31			
10 <sup>th</sup> prior year	2013-12-31			
11 <sup>th</sup> prior year*	2012-12-31			
12 <sup>th</sup> prior year	2011-12-31			
13 <sup>th</sup> prior year	2010-12-31			
14 <sup>th</sup> prior year	2009-12-31			
15 <sup>th</sup> prior year	2008-12-31			
16 <sup>th</sup> prior year	2007-12-31			
17 <sup>th</sup> prior year	2006-12-31			
18 <sup>th</sup> prior year	2005-12-31			
19 <sup>th</sup> prior year	2004-12-31			
20 <sup>th</sup> prior year	2003-12-31			
21 <sup>st</sup> prior year*	2002-12-31			
<b>Total</b>				

\* For federal and Alberta tax purposes, donations and gifts made before February 11, 2014, that are included on line 6<sup>th</sup> prior year and gifts that are included on line 11<sup>th</sup> 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 6<sup>th</sup> prior year and gifts that are included on line 21<sup>st</sup> 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* . . . . .	<b>639</b>		
Additional deduction for gifts of medicine at the beginning of the current tax year (amount 5A <b>minus</b> line 639) . . . . .	<b>640</b>		
Additional deduction for gifts of medicine made before March 22, 2017 transferred on an amalgamation or the wind-up of a subsidiary . . . . .	<b>650</b>		
Additional deduction for gifts of medicine made before March 22, 2017:			
Proceeds of disposition . . . . .	<b>602</b>		
Cost of gifts of medicine made before March 22, 2017 . . . . .	<b>601</b>		
Subtotal (line 602 <b>minus</b> line 601)	5B		
Amount 5B <b>multiplied by</b> 50 % . . . . .	5C		
Eligible amount of gifts . . . . .	<b>600</b>		
<b>Federal</b>			
a _____ x $\left( \frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . .	<b>610</b>		
<b>Québec</b>			
a _____ x $\left( \frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . .			
<b>Alberta</b>			
a _____ x $\left( \frac{b}{c} \right)$ = Additional deduction for gifts of medicine made before March 22, 2017 . . . . .			
where:			
<b>a</b> is the <b>lesser</b> of line 601 and amount 5C			
<b>b</b> is the eligible amount of gifts (line 600)			
<b>c</b> is the proceeds of disposition (line 602)			
Subtotal (line 650 <b>plus</b> line 610)	5D		
Subtotal (line 640 <b>plus</b> amount 5D)	5E		
Adjustment for an acquisition of control . . . . .	<b>655</b>		
Amount applied in the current year against taxable income . . . . .	<b>660</b>		
(enter this amount on line 315 of the T2 return)			
Subtotal (line 655 <b>plus</b> line 660)	5F		
Additional deduction for gifts of medicine closing balance (amount 5E <b>minus</b> amount 5F) ( <b>Note 3</b> ) . . . . .	<b>680</b>		

\* 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
1 <sup>st</sup> prior year	2022-12-31			
2 <sup>nd</sup> prior year	2021-12-31			
3 <sup>rd</sup> prior year	2020-12-31			
4 <sup>th</sup> prior year	2019-12-31			
5 <sup>th</sup> prior year	2018-12-31			
6 <sup>th</sup> prior year*	2017-12-31			
7 <sup>th</sup> prior year	2016-12-31			
8 <sup>th</sup> prior year	2015-12-31			
9 <sup>th</sup> prior year	2014-12-31			
10 <sup>th</sup> prior year	2013-12-31			
11 <sup>th</sup> prior year	2012-12-31			
12 <sup>th</sup> prior year	2011-12-31			
13 <sup>th</sup> prior year	2010-12-31			
14 <sup>th</sup> prior year	2009-12-31			
15 <sup>th</sup> prior year	2008-12-31			
16 <sup>th</sup> prior year	2007-12-31			
17 <sup>th</sup> prior year	2006-12-31			
18 <sup>th</sup> prior year	2005-12-31			
19 <sup>th</sup> prior year	2004-12-31			
20 <sup>th</sup> prior year	2003-12-31			
21 <sup>st</sup> prior year*	2002-12-31			
<b>Total</b>				

\* For federal and Alberta tax purposes, donations and gifts included on line 6<sup>th</sup> 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 6<sup>th</sup> prior year and donations and gifts that are included on line 21<sup>st</sup> 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
<b>Deduct:</b> Gifts of musical instruments expired after twenty tax years		B
Gifts of musical instruments at the beginning of the tax year		C
<b>Add:</b>		
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
<b>Deduct:</b> Adjustment for an acquisition of control		G
Total gifts of musical instruments available		H
<b>Deduct:</b> 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
1 <sup>st</sup> prior year	2022-12-31	
2 <sup>nd</sup> prior year	2021-12-31	
3 <sup>rd</sup> prior year	2020-12-31	
4 <sup>th</sup> prior year	2019-12-31	
5 <sup>th</sup> prior year	2018-12-31	
6 <sup>th</sup> prior year	2017-12-31	
7 <sup>th</sup> prior year	2016-12-31	
8 <sup>th</sup> prior year	2015-12-31	
9 <sup>th</sup> prior year	2014-12-31	
10 <sup>th</sup> prior year	2013-12-31	
11 <sup>th</sup> prior year	2012-12-31	
12 <sup>th</sup> prior year	2011-12-31	
13 <sup>th</sup> prior year	2010-12-31	
14 <sup>th</sup> prior year	2009-12-31	
15 <sup>th</sup> prior year	2008-12-31	
16 <sup>th</sup> prior year	2007-12-31	
17 <sup>th</sup> prior year	2006-12-31	
18 <sup>th</sup> prior year	2005-12-31	
19 <sup>th</sup> prior year	2004-12-31	
20 <sup>th</sup> prior year	2003-12-31	
21 <sup>st</sup> prior year*	2002-12-31	
<b>Total</b>		

\* These gifts expired in the current year.

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

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 RC0001	2023-12-31

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

**Part 1 – Dividends received in the tax year**

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H, H.1, I, I.1, I.2 and L **only if** the payer corporation is **connected**.

**Important instructions to follow if the payer corporation is connected**

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

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



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

F	F1	G	H	H.1	I
Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) <sup>1</sup>		Eligible dividends included in column F	Total taxable dividends paid by the <b>connected</b> payer corporation (line 460 in Schedule 3 for the tax year in column D)	Total eligible dividends paid by the <b>connected</b> payer corporation (line 465 in Schedule 3 for the tax year in column D)	Dividend refund of the <b>connected</b> payer corporation (for tax year in column D) <sup>2</sup>
<b>240</b>		<b>242</b>	<b>250</b>		<b>260</b>
1					
I.1	I.2	J	K	L	
Eligible dividend refund of the <b>connected</b> payer corporation from its eligible refundable dividend tax on hand (ERDTH) (amount CC from T2 return for the tax year in column D)	Additional non-eligible dividend refund of the <b>connected</b> payer corporation from its ERDTH (amount II from T2 return for the tax year in column D)	Part IV tax for eligible dividends. Dividends (from column G) <b>multiplied by</b> 38 1/3% <sup>3</sup>	Part IV tax before deductions. Dividends (from column F) <b>multiplied by</b> 38 1/3% <sup>4</sup>	Part IV tax before deductions on taxable dividends received from <b>connected</b> corporations <sup>5</sup>	
		<b>265</b>	<b>275</b>	<b>280</b>	
1					
<b>Total of column L</b> (enter amount on line 2E in Part 2)					
Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B)					1A
Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B)					1B
Subtotal (amount 1A <b>plus</b> amount 1B, include this amount on line 320 of the T2 return)					1C
Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B)					1D
Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B)					1E
Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B)					1F
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B)					1G
Subtotal (amount 1F <b>plus</b> amount 1G)					1H
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B)					1I
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B)					1J
Subtotal (amount 1I <b>plus</b> amount 1J)					1K
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H <b>minus</b> amount 1K)					1L

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

2 If the **connected** payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.

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

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

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

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

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

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

**Part 2 – Calculation of Part IV tax payable**

Part IV tax on dividends received before deductions (amount 1H in part 1) . . . . .	2A	
Part IV.I tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) . . . . .	<b>320</b>	
Subtotal (amount 2A <b>minus</b> line 320)		2B
Current-year non-capital loss claimed to reduce Part IV tax . . . . .	<b>330</b>	
Non-capital losses from previous years claimed to reduce Part IV tax . . . . .	<b>335</b>	
Current-year farm loss claimed to reduce Part IV tax . . . . .	<b>340</b>	
Farm losses from previous years claimed to reduce Part IV tax . . . . .	<b>345</b>	
Total losses applied against Part IV tax (total of lines 330 to 345)		2C
Amount 2C <b>multiplied by</b> 38 1 / 3 % . . . . .		2D
<b>Part IV tax payable</b> (amount 2B <b>minus</b> amount 2D, if negative enter "0") . . . . .	<b>360</b>	
(enter amount on line 712 of the T2 return)		
<b>If your tax year begins after 2018</b> , complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTH) at the end of the tax year.		
Part IV tax before deductions on taxable dividends received from connected corporations (total of column L in part 1) . . . . .		2E
Amount 4A from Schedule 43 . . . . .		2F
<b>Part IV tax payable on taxable dividends received from connected corporations</b> (amount 2E <b>minus</b> amount 2F, if negative enter "0") . . . . .		2G
(enter at amount C on page 7 of the T2 return)		
Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) . . . . .		2H
Amount 4C from Schedule 43 . . . . .		2I
<b>Part IV tax payable on taxable dividends received from non-connected corporations</b> (amount 2H <b>minus</b> amount 2I, if negative enter "0") . . . . .		2J
(enter at amount D on page 7 of the T2 return)		

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

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

	M Name of recipient corporation with which you are connected	N Business number	O Tax year-end of recipient corporation in which the dividends in column P were received YYYYMMDD	P Taxable dividends paid to recipient corporations with which you are connected	Q Eligible dividends included in column P
	<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>	<b>440</b>
1	Welland Hydro-Electric Holding Corp	86360 4328 RC0001	2023-12-31	1,100,000	
				1,100,000	
				(Total of column P)	(Total of column Q)

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

Total taxable dividends paid in the tax year to other than connected corporations	450	
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column P <b>plus</b> line 450)	460	1,100,000
Total eligible dividends paid in the tax year (total of column Q <b>plus</b> line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 <b>minus</b> line 465)	470	1,100,000

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

Line 465 <b>multiplied</b> by 38 1 / 3 %		3A
(enter at amount AA on page 7 of the T2 return)		
Line 470 <b>multiplied</b> by 38 1 / 3 %	421,667	3B
(enter at amount DD on page 7 of the T2 return)		

**Part 4 – Total dividends paid in the tax year**

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

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)		1,100,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	1,100,000

Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		4A

<b>Total taxable dividends paid in the tax year that qualify for a dividend refund</b> (Line 500 <b>minus</b> amount 4A)		1,100,000 4B
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Schedule 5

## Tax Calculation Supplementary – Corporations

Corporation's name	Business Number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 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 <b>yes</b> if your corporation had a permanent establishment in the jurisdiction during the tax year) <b>Note 1</b>	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) <b>Note 2</b> (where either G or H is nil, do not multiply by 1/2)
Newfoundland and Labrador Yes <input type="checkbox"/>	103		143		
Newfoundland and Labrador Offshore Yes <input type="checkbox"/>	104		144		
Prince Edward Island Yes <input type="checkbox"/>	105		145		
Nova Scotia Yes <input type="checkbox"/>	107		147		
Nova Scotia Offshore Yes <input type="checkbox"/>	108		148		
New Brunswick Yes <input type="checkbox"/>	109		149		
Quebec Yes <input type="checkbox"/>	111		151		
Ontario Yes <input type="checkbox"/>	113		153		
Manitoba Yes <input type="checkbox"/>	115		155		
Saskatchewan Yes <input type="checkbox"/>	117		157		
Alberta Yes <input type="checkbox"/>	119		159		
British Columbia Yes <input type="checkbox"/>	121		161		
Yukon Yes <input type="checkbox"/>	123		163		
Northwest Territories Yes <input type="checkbox"/>	125		165		
Nunavut Yes <input type="checkbox"/>	126		166		
Outside Canada Yes <input type="checkbox"/>	127		167		
<b>Total</b>	<b>129</b> <b>G</b>		<b>169</b> <b>H</b>		

Note 1: **Permanent establishment** is defined in subsection 400(2).

Note 2: For corporations other than those described under section 402, use the appropriate calculation described in the Regulations to allocate taxable income.

## Notes:

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

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

Total taxable income	Income eligible for small business deduction	Provincial or territorial allocation of taxable income	Provincial or territorial tax payable before credits
2,070,822		2,070,822	238,145

Ontario basic income tax (from Schedule 500)	270	238,145	
Ontario small business deduction (from Schedule 500)	402		
Subtotal (line 270 <b>minus</b> line 402)		238,145	238,145 5A
Ontario transitional tax debits (from Schedule 506)	276		
Recapture of Ontario research and development tax credit (from Schedule 508)	277		
Subtotal (line 276 <b>plus</b> line 277)			5B
Gross Ontario tax (amount 5A <b>plus</b> amount 5B)		238,145	238,145 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 <b>minus</b> amount 5D) (if negative, enter "0")		238,145	238,145 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 <b>minus</b> line 416) (if negative, enter "0")		238,145	238,145 5F
Ontario corporate minimum tax credit (from Schedule 510)	418	163,382	
Ontario community food program donation tax credit for farmers (from Schedule 2)	420		
Ontario corporate income tax payable (amount 5F <b>minus</b> the total of lines 418 and 420) (if negative, enter "0")		74,763	74,763 5G
Ontario corporate minimum tax (from Schedule 510)	278		
Ontario special additional tax on life insurance corporations (from Schedule 512)	280		
Subtotal (line 278 <b>plus</b> line 280)			5H
Total Ontario tax payable before refundable tax credits (amount 5G <b>plus</b> amount 5H)		74,763	74,763 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 <b>minus</b> amount 5J) (if a credit, enter amount in brackets). Include this amount on line 255.	290	74,763	74,763

**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 74,763

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.

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 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 ☒

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

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

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

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

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

1 Name of EPOP	2 Identification number See note 1	3 Percentage assigned under the agreement
<b>110</b>	<b>115</b>	<b>120</b>
1. Welland Hydro Electric System Corp.	863759692RC0001	100.000
2. Welland Hydro-Electric Holding Corp.	863604328RC0001	
3. Welland Hydro Energy Services Corp.	863759494RC0002	
Total		100.000
Immediate expensing limit allocated to the corporation (see note 2)		<b>125</b> 1,500,000

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  <b>200</b>	Description	2 Undepreciated capital cost (UCC) at the beginning of the year  <b>201</b>	3 Cost of acquisitions during the year (new property must be available for use)  See note 4  <b>203</b>	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP)  See note 5  <b>232</b>	5 Adjustments and transfers  See note 6  <b>205</b>	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition  See note 7  <b>221</b>	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition  See note 8  <b>222</b>	8 Proceeds of dispositions  See note 9  <b>207</b>
1. 1	Buildings/Substation	1,772,405						0
2. 1b	Buildings/Substation	532,786						0
3. 1	Plant Feeders	2,551,283						0
4. 1	Plant Distribution	4,423,428						0
5. 1	Transformers	1,431,072						0
6. 1	Meters	674,412						0
7. 8	Other equipment	133,057						0
8. 10	Vehicles	233,032	64,388	64,388				465
9. 45	Computer Hardware - Pre	3						0
10. 47	Poles & Transmission	19,951,860	3,421,895					29,244
11. 50	Computer Hardware - Post	5,245	34,040	34,040				0
12. 17	Paving	142,870						0
13. 43.2	Solar Panel Microfits Installs	119						0
14. 14.1		591,263						0
15. 95	WIP	53,160	132,465	132,465				53,160
16. 6			36,404					0
17. 12			35,450	35,450				0
<b>Totals</b>		<b>32,495,995</b>	<b>3,724,642</b>	<b>266,343</b>				<b>82,869</b>

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)  <b>234</b>	10 UCC (column 2 <b>plus</b> column 3 <b>plus</b> or <b>minus</b> column 8)  See note 10  <b>236</b>	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4)  See note 11  <b>238</b>	12 Immediate expensing  See note 12  <b>238</b>	13 Cost of acquisitions on remainder of Class (column 3 <b>minus</b> column 12)  See note 13  <b>225</b>	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  <b>225</b>	15 Remaining UCC (column 10 <b>minus</b> column 12) (if negative, enter "0")  <b>225</b>	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 <b>plus</b> column 6 <b>minus</b> column 13 <b>plus</b> column 14 <b>minus</b> column 7) (if negative, enter "0")  See note 14
1. 1	Buildings/Substation		1,772,405					1,772,405	

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)	10 UCC (column 2 <b>plus</b> column 3 <b>plus</b> or <b>minus</b> column 5 <b>minus</b> column 8)  See <b>note 10</b>	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4)  See <b>note 11</b>	12 Immediate expensing  See <b>note 12</b>	13 Cost of acquisitions on remainder of Class (column 3 <b>minus</b> 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 <b>note 13</b>	15 Remaining UCC (column 10 <b>minus</b> 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 <b>plus</b> column 6 <b>minus</b> column 13 <b>plus</b> column 14 <b>minus</b> column 7) (if negative, enter "0")  See <b>note 14</b>
		<b>234</b>		<b>236</b>	<b>238</b>		<b>225</b>		
2.	1b Buildings/Substation		532,786					532,786	
3.	1 Plant Feeders		2,551,283					2,551,283	
4.	1 Plant Distribution		4,423,428					4,423,428	
5.	1 Transformers		1,431,072					1,431,072	
6.	1 Meters		674,412					674,412	
7.	8 Other equipment		133,057					133,057	
8.	10 Vehicles		296,955	64,388	64,388			232,567	
9.	45 Computer Hardware - Pre		3					3	
10.	47 Poles & Transmission		23,344,511			3,421,895	3,421,895	23,344,511	29,244
11.	50 Computer Hardware - Post		39,285	34,040	34,040			5,245	
12.	17 Paving		142,870					142,870	
13.	43.2 Solar Panel Microfits Installs		119					119	
14.	14.1		591,263					591,263	
15.	95 WIP		132,465	132,465		132,465	132,465	132,465	53,160
16.	6		36,404			36,404	36,404	36,404	
17.	12		35,450	35,450	35,450				
<b>Totals</b>			36,137,768	266,343	133,878	3,590,764	3,590,764	36,003,890	82,404



**Part 2 – CCA calculation (continued)**

	1 Class number	Description	17 Net capital cost additions of AIP and property included in Classes 54 to 56 acquired during the year (column 14 <b>minus</b> column 16) (if negative, enter "0")	18 UCC adjustment for AIP and property included in Classes 54 to 56 acquired during the year (column 17 <b>multiplied</b> by the relevant factor)  See note 15	19 UCC adjustment for property acquired during the year other than AIP and property included in Classes 54 to 56 (0.5 <b>multiplied</b> by the result of column 13 <b>minus</b> column 14 <b>minus</b> column 6 <b>plus</b> column 7 <b>minus</b> column 8) (if negative, enter "0")  See note 16 <b>224</b>	20 CCA rate %  See note 17  <b>212</b>	21 Recapture of CCA  See note 18  <b>213</b>	22 Terminal loss  See note 19  <b>215</b>	23 CCA (for declining balance method, the result of column 15 <b>plus</b> column 18 <b>minus</b> column 19, <b>multiplied</b> by column 20, or a lower amount, <b>plus</b> column 12)  See note 20  <b>217</b>	24 UCC at the end of the year (column 10 <b>minus</b> column 23)  <b>220</b>
1.	1	Buildings/Substation				4	0	0	70,896	1,701,509
2.	1b	Buildings/Substation				6	0	0	31,967	500,819
3.	1	Plant Feeders				4	0	0	102,051	2,449,232
4.	1	Plant Distribution				4	0	0	176,937	4,246,491
5.	1	Transformers				4	0	0	57,243	1,373,829
6.	1	Meters				4	0	0	26,976	647,436
7.	8	Other equipment				20	0	0	26,611	106,446
8.	10	Vehicles				30	0	0	134,158	162,797
9.	45	Computer Hardware - Pre				45	0	0	1	2
10.	47	Poles & Transmission	3,392,651	1,696,326		8	0	0	2,003,267	21,341,244
11.	50	Computer Hardware - Post				55	0	0	36,925	2,360
12.	17	Paving				8	0	0	11,430	131,440
13.	43.2	Solar Panel Microfits Installs				50	0	0	60	59
14.	14.1					5	0	0	41,388	549,875
15.	95	WIP	79,305	39,653		0	0	0		132,465
16.	6		36,404	18,202		10	0	0	5,461	30,943
17.	12					100	0	0	35,450	
		<b>Totals</b>	<b>3,508,360</b>	<b>1,754,181</b>					<b>2,760,821</b>	<b>33,376,947</b>

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.

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 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  <b>100</b>	Country of residence (other than Canada)  <b>200</b>	Business number (see note 1)  <b>300</b>	Relationship code (see note 2)  <b>400</b>	Number of common shares you own  <b>500</b>	% of common shares you own  <b>550</b>	Number of preferred shares you own  <b>600</b>	% of preferred shares you own  <b>650</b>	Book value of capital stock  <b>700</b>
1.	Welland Hydro-Electric Holding Cor		86360 4328 RC0001	1					
2.	City of Welland		NR	3					
3.	Welland Hydro Energy Services Cor		86375 9494 RC0002	3					

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



## Continuity of Reserves

Name of corporation <b>Welland Hydro Electric System Corp.</b>	Business number <b>86375 9692 RC0001</b>	Tax year end Year Month Day <b>2023-12-31</b>
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- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- File one completed copy of this schedule with the corporation's T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation Income Tax Guide.

## Part 1 – Capital gains reserves

Description of property	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 \$
<b>001</b>	<b>002</b>	<b>003</b>			<b>004</b>
1					
	<b>008</b>	<b>009</b>			<b>010</b>
Totals					

The amount from line 008 **plus** the amount from line 009 should be entered on line 880 of Schedule 6, Summary of Dispositions of Capital Property.  
The amount from line 010 should be entered on line 885 of Schedule 6.

## Part 2 – Other reserves

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 \$
	<b>110</b>	<b>115</b>			<b>120</b>
Reserve for doubtful debts . . . . . <input checked="" type="checkbox"/>	277,853		286,010	277,853	286,010
	<b>130</b>	<b>135</b>			<b>140</b>
Reserve for undelivered goods and services not rendered . . . . . <input checked="" type="checkbox"/>	5,596,988		8,093,164	5,596,988	8,093,164
	<b>150</b>	<b>155</b>			<b>160</b>
Reserve for prepaid rent . . . . . <input type="checkbox"/>					
	<b>190</b>	<b>195</b>			<b>200</b>
Reserve for refundable containers . . . . . <input type="checkbox"/>					
	<b>210</b>	<b>215</b>			<b>220</b>
Reserve for unpaid amounts . . . . . <input type="checkbox"/>					
	<b>230</b>	<b>235</b>			<b>240</b>
Other tax reserves . . . . . <input type="checkbox"/>					
Totals	5,874,841		8,379,174	5,874,841	8,379,174

The amount from line 270 **plus** the amount from line 275 should be entered on line 125 of Schedule 1, Net Income (Loss) for Income Tax Purposes, as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

# 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	Pension liability - non-current	912,862		993,751	912,862	993,751
2						
	Reserves from Part 2 of Schedule 13	5,874,841		8,379,174	5,874,841	8,379,174
	Totals	6,787,703		9,372,925	6,787,703	9,372,925

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.

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 RC0001	2023-12-31

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

Type of plan (see note 1)	Amount of contribution \$ (see note 2)	Registration number (RPP, RSUBP, PRPP, and DPSP only)	Name of EPSP trust	Address of EPSP trust	T4PS slip(s) (see note 3)
<b>100</b>	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>	<b>600</b>
1 1	370,000	0345983			

Note 1

Enter the applicable code number:

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

Note 2

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

Total of all amounts indicated in column 200 of this schedule . . . . . 370,000 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements . . . . . 370,000 B

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

Enter amount C on line 417 of Schedule 1

Note 3

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



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

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

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

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

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

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

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

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

**Column 6:** Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.  
Ensure that the total at line A does not exceed \$500,000.

**Allocating the business limit**

Date filed (do not use this area) .....	<b>025</b>	Year Month Day
Enter the calendar year the agreement applies to .....	<b>050</b>	Year 2023
Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? .....	<b>075</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	<b>100</b>	<b>200</b>	<b>300</b>		<b>350</b>	<b>400</b>
1	Welland Hydro Electric System Corp.	86375 9692 RC0001	1	500,000	100.0000	500,000
2	Welland Hydro-Electric Holding Corp.	86360 4328 RC0001	1	500,000		
3	City of Welland	NR	4			
4	Welland Hydro Energy Services Corp.	86375 9494 RC0002	1	500,000		
	<b>Total</b>				100.0000	500,000 A

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

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

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

**Special rules for business limit**

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

**Taxable Capital Employed in Canada – Large Corporations**

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 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:

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	12,953,180
Retained earnings	104	11,191,520
Contributed surplus	105	
Any other surpluses	106	
Deferred unrealized foreign exchange gains	107	
All loans and advances to the corporation	108	5,537,475
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109	20,176,319
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)		49,858,494 ▶ 49,858,494 A

**Note:**Line 112 is determined by the formula  $(A - B) \times C/D$  (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
- those lines applied to partnerships in the same manner that they apply to corporations, and
  - those amounts were computed without reference to amounts owing by the partnership
    - to any corporation that held a membership interest in the partnership either directly or indirectly through another partnership, or
    - 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) 49,858,494 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** 49,858,494**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** 95,617A 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** 95,617**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) . . . . . 49,858,494 C**Deduct:** Investment allowance for the year (line 490) . . . . . 95,617 D**Taxable capital for the year** (amount C minus amount D) (if negative, enter "0") . . . . . **500** 49,762,877

**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)	49,762,877	x	Taxable income earned in Canada	610		2,070,822	=	Taxable capital employed in Canada	690	49,762,877
						2,070,822				

- 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.

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 RC0001	2023-12-31

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number (business number, partnership account number, social insurance number or trust number) per shareholder.

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")	Social insurance number (9 digits)	Trust number (T followed by 8 digits)	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	Welland Hydro-Electric Holding Corp.	863604328RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

Canada Revenue  
AgencyAgence du revenu  
du Canada**Schedule 55****Part III.1 Tax on Excessive Eligible Dividend Designations**

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 RC0001	2023-12-31

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, General Rate Income Pool (GRIP) Calculation, or Schedule 54, Low Rate Income Pool (LRIP) Calculation, whichever is applicable.
- File the schedules with your T2 Corporation Income Tax Return no later than six months from the end of the tax year.
- All legislative references are to the Income Tax Act and the Income Tax Regulations.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

**Do not use this area****Part 1 – Canadian-controlled private corporations and deposit insurance corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3	.....	
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	.....	1,100,000
Total taxable dividends paid in the tax year	.....	<b>100</b> 1,100,000
Total eligible dividends paid in the tax year	.....	<b>150</b>
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	.....	<b>160</b> 9,035,001
Excessive eligible dividend designation (line 150 <b>minus</b> line 160)	.....	A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	<b>180</b>
Subtotal (amount A <b>minus</b> line 180)	.....	B
<b>Part III.1 tax on excessive eligible dividend designations – CCPC or DIC</b> (amount B <b>multiplied by</b> 20 %)	.....	<b>190</b>

Enter the amount from line 190 on line 710 of the T2 return.

**Part 2 – Other corporations**

Taxable dividends paid in the tax year <b>not included</b> in Schedule 3	.....	
Taxable dividends paid in the tax year <b>included</b> in Schedule 3	.....	
Total taxable dividends paid in the tax year	.....	<b>200</b>
Total excessive eligible dividend designations in the tax year (amount A of Schedule 54)	.....	C
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	.....	<b>280</b>
Subtotal (amount C <b>minus</b> line 280)	.....	D
<b>Part III.1 tax on excessive eligible dividend designations – Other corporations</b> (amount D <b>multiplied by</b> 20 %)	.....	<b>290</b>

Enter the amount from line 290 on line 710 of the T2 return.

\* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax.



## Ontario Corporation Tax Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 RC0001	2023-12-31

- Use this schedule if your corporation had a **permanent establishment** (as defined in section 400 of the federal Income Tax Regulations) in Ontario at any time in the tax year and had Ontario taxable income in the tax year.
- Legislative references are to the federal Income Tax Act and Income Tax Regulations.
- This schedule is a worksheet only and is not required to be filed with your T2 Corporation Income Tax Return.

## Part 1 – Ontario basic income tax

Ontario taxable income (Note 1)	2,070,822	1A
Ontario basic rate of tax for the year	11.5 %	1B
<b>Ontario basic income tax</b> (amount 1A multiplied by amount 1B) (Note 2)	238,145	1C

Note 1: If your corporation had a permanent establishment only in Ontario, enter the amount from line 360, from page 3 of the T2 return. Otherwise, enter the taxable income allocated to Ontario from column F in Part 1 of Schedule 5.

Note 2: If your corporation had a permanent establishment in more than one jurisdiction or is claiming an Ontario tax credit in addition to Ontario basic income tax, Ontario corporate minimum tax, or Ontario special additional tax on life insurance corporations payable, enter amount 1C on line 270 of Schedule 5, Tax Calculation Supplementary – Corporations. Otherwise, enter it on line 760 of the T2 return.

## Part 2 – Ontario small business deduction (OSBD)

Complete this part if your corporation claimed the federal small business deduction under subsection 125(1).

Line 400 of the T2 return	2,077,076	2A
Line 405 of the T2 return	2,070,822	2B
Line 410 of the T2 return	500,000	2C
Line 415 of the T2 return	108,696	2D

## Business limit reduction for tax years starting before April 7, 2022

Amount 2C	x	Amount 2D	=	2E
		11,250		

## Business limit reduction for tax years starting after April 6, 2022

Amount 2C	x	Amount 2D	=	2F
500,000		108,696		603,867
		90,000		

Amount 2E or amount 2F, whichever applies 603,867 2G

Line 515 of the T2 return 2H

Subtotal (amount 2C minus amount 2G minus amount 2H) 2I

Amount 2A, 2B or 2I whichever is the least 2J

Ontario domestic factor (ODF): Taxable income for Ontario (Note 3) 2,070,822.00 = 1.00000 2K  
Taxable income for all provinces (Note 4) 2,070,822

Amount 2J multiplied by amount 2K 2L

Ontario taxable income (amount 1A) 2,070,822 2M

Ontario small business income (amount 2L or 2M, whichever is less) 2N

## Ontario small business deduction for the year

Amount 2N x 8.3 % = 2O

Enter Ontario small business deduction for the year (amount 2O) on line 402 of Schedule 5.

Note 3: Enter amount 1A.

Note 4: Includes the territories and the offshore jurisdictions for Nova Scotia and Newfoundland and Labrador.



**Part 3 – Ontario adjusted small business income**

Complete this part if your corporation was a Canadian-controlled private corporation throughout the tax year and is claiming the Ontario tax credit for manufacturing and processing or the Ontario credit union tax reduction.

**Ontario adjusted small business income** (amount 1A or 2J, whichever is the least) .....                      **3A**

Enter amount 3A at amount 4B in Part 4 of this schedule or at amount 2E in Part 2 of Schedule 502, Ontario Tax Credit for Manufacturing and Processing, whichever applies.

**Part 4 – Credit union tax reduction**

Complete this part and Schedule 17, Credit Union Deductions, if the corporation was a credit union throughout the tax year.

Amount 2C of Schedule 17 .....                      **4A**

Ontario adjusted small business income (amount 3A) .....                      **4B**

Subtotal (amount 4A **minus** amount 4B) (if negative, enter "0")                      **4C**

Amount 4C                      x **8.3 %** = .....                      **4D**

Ontario domestic factor (amount 2K) ..... 1.00000 **4E**

**Ontario credit union tax reduction** (amount 4D **multiplied** by amount 4E) .....                      **4F**

Enter amount 4F on line 410 of Schedule 5.



## Ontario Corporate Minimum Tax

Corporation's name	Business number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 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	61,991,956
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	66,046,119
Total assets (total of lines 112 to 116)		128,038,075
Total revenue of the corporation for the tax year **	142	57,996,266
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	101,336,745
Total revenue (total of lines 142 to 146)		159,333,011

The corporation is subject to CMT if:

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

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

## \* Rules for total assets

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

## \*\* Rules for total revenue

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

**Part 2 – Adjusted net income/loss for CMT purposes**

Net income/loss per financial statements *			<b>210</b>	1,774,630
<b>Add</b> (to the extent reflected in income/loss):				
Provision for current income taxes/cost of current income taxes	220	758,085		
Provision for deferred income taxes (debits)/cost of future income taxes	222			
Equity losses from corporations	224			
Financial statement loss from partnerships and joint ventures	226			
Dividends deducted on financial statements (subsection 57(2) of the Ontario Act), excluding dividends paid by credit unions under subsection 137(4.1) of the federal Act	230			
<b>Other additions</b> (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			
<b>281</b> OCI	282	497,237		
<b>283</b>	284			
	Subtotal	1,255,322		1,255,322 A
<b>Deduct</b> (to the extent reflected in income/loss):				
Provision for recovery of current income taxes/benefit of current income taxes	320			
Provision for deferred income taxes (credits)/benefit of future income taxes	322			
Equity income from corporations	324			
Financial statement income from partnerships and joint ventures	326			
Dividends deductible under section 112, section 113, or subsection 138(6) of the federal Act	330			
Dividends not taxable under section 83 of the federal Act (from Schedule 3)	332			
Gain on donation of listed security or ecological gift	340			
Accounting gain on transfer of property to a corporation under section 85 or 85.1 of the federal Act ***	342			
Accounting gain on transfer of property to/from a partnership under section 85 or 97 of the federal Act ****	344			
Accounting gain on disposition of property under subsection 13(4), subsection 14(6), or section 44 of the federal Act *****	346			
Accounting gain on a windup under subsection 88(1) of the federal Act or an amalgamation under section 87 of the federal Act	348			
<b>Other deductions</b> (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 <b>multiplied</b> 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			
<b>381</b>	382			
<b>383</b> Tax recovery included in regulatory	384	260,939		
<b>385</b>	386			
<b>387</b>	388			
<b>389</b>	390			
	Subtotal	260,939		260,939 B
Adjusted net income/loss for CMT purposes (line 210 <b>plus</b> amount A <b>minus</b> amount B)			<b>490</b>	2,769,013

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 GIF1 (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** 2,769,013

**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** 2,769,013

Amount from line 520 2,769,013 x  $\frac{\text{Number of days in the tax year before July 1, 2010}}{\text{Number of days in the tax year}}$  365 x 4 % = 1

Amount from line 520 2,769,013 x  $\frac{\text{Number of days in the tax year after June 30, 2010}}{\text{Number of days in the tax year}}$  365 x 2.7 % = 74,763 2

Subtotal (amount 1 **plus** amount 2) ..... 74,763 3

Gross CMT: amount on line 3 above x OAF \*\* ..... **540** 74,763

**Deduct:**

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

CMT after foreign tax credit deduction (line 540 **minus** line 550) (if negative, enter "0") ..... 74,763 D

**Deduct:**

Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5) ..... 238,145

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

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

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

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

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

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

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

Ontario taxable income \*\*\*\* = Taxable income \*\*\*\*\*

Ontario allocation factor ..... 1.00000 F

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

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

**Part 4 – Calculation of CMT credit carryforward**

CMT credit carryforward at the end of the previous tax year *	199,325	G
<b>Deduct:</b>		
CMT credit expired *	600	
CMT credit carryforward at the beginning of the current tax year * (see note below)	199,325	620 199,325
<b>Add:</b>		
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 <b>plus</b> amount on line 650)		199,325 H
<b>Deduct:</b>		
CMT credit deducted in the current tax year (amount P from Part 5)		163,382 I
	Subtotal (amount H <b>minus</b> amount I)	35,943 J
<b>Add:</b>		
Net CMT payable (amount E from Part 3)		
SAT payable (amount O from Part 6 of Schedule 512)		
	Subtotal	K
CMT credit carryforward at the end of the tax year (amount J <b>plus</b> amount K)	670	35,943 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)	199,325	M
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	238,145	1
For a corporation that is not a life insurance corporation:		
CMT after foreign tax credit deduction (amount D from Part 3)	74,763	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 <b>greater</b> of amounts 3 and 4	5	
<b>Deduct:</b> line 2 or line 5, whichever applies:	74,763	6
Subtotal (if negative, enter "0")	163,382	N 163,382
Ontario corporate income tax payable before CMT credit (amount F6 from Schedule 5)	238,145	
<b>Deduct:</b>		
Total refundable tax credits excluding Ontario qualifying environmental trust tax credit (amount J6 <b>minus</b> line 450 from Schedule 5)		
Subtotal (if negative, enter "0")	238,145	O 238,145
CMT credit deducted in the current tax year (least of amounts M, N, and O)		P 163,382

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	<b>680</b>
9th previous tax year	<b>681</b>
8th previous tax year	<b>682</b>
7th previous tax year	<b>683</b>
6th previous tax year	<b>684</b>
5th previous tax year	<b>685</b>
4th previous tax year	<b>686</b>
3rd previous tax year	<b>687</b>
2nd previous tax year	<b>688</b>
1st previous tax year	<b>689</b>
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	<b>810</b>	<b>820</b>
9th previous tax year	<b>811</b>	<b>821</b>
8th previous tax year	<b>812</b>	<b>822</b>
7th previous tax year	<b>813</b>	<b>823</b>
6th previous tax year	<b>814</b>	<b>824</b>
5th previous tax year	<b>815</b>	<b>825</b>
4th previous tax year	<b>816</b>	<b>826</b>
3rd previous tax year	<b>817</b>	<b>827</b>
2nd previous tax year	<b>818</b>	<b>828</b>
1st previous tax year		<b>829</b>
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.

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

Name of corporation	Business Number	Tax year-end Year Month Day
Welland Hydro Electric System Corp.	86375 9692 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	Business number (Canadian corporation only) (see Note 1)	Total assets* (see Note 2)	Total revenue** (see Note 2)
	<b>200</b>	<b>300</b>	<b>400</b>	<b>500</b>
1	Welland Hydro-Electric Holding Corp.	86360 4328 RC0001	14,678,916	1,150,359
2	City of Welland	NR	50,000,000	100,000,000
3	Welland Hydro Energy Services Corp.	86375 9494 RC0002	1,367,203	186,386
			<b>450</b>	<b>550</b>
		<b>Total</b>	66,046,119	101,336,745

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.