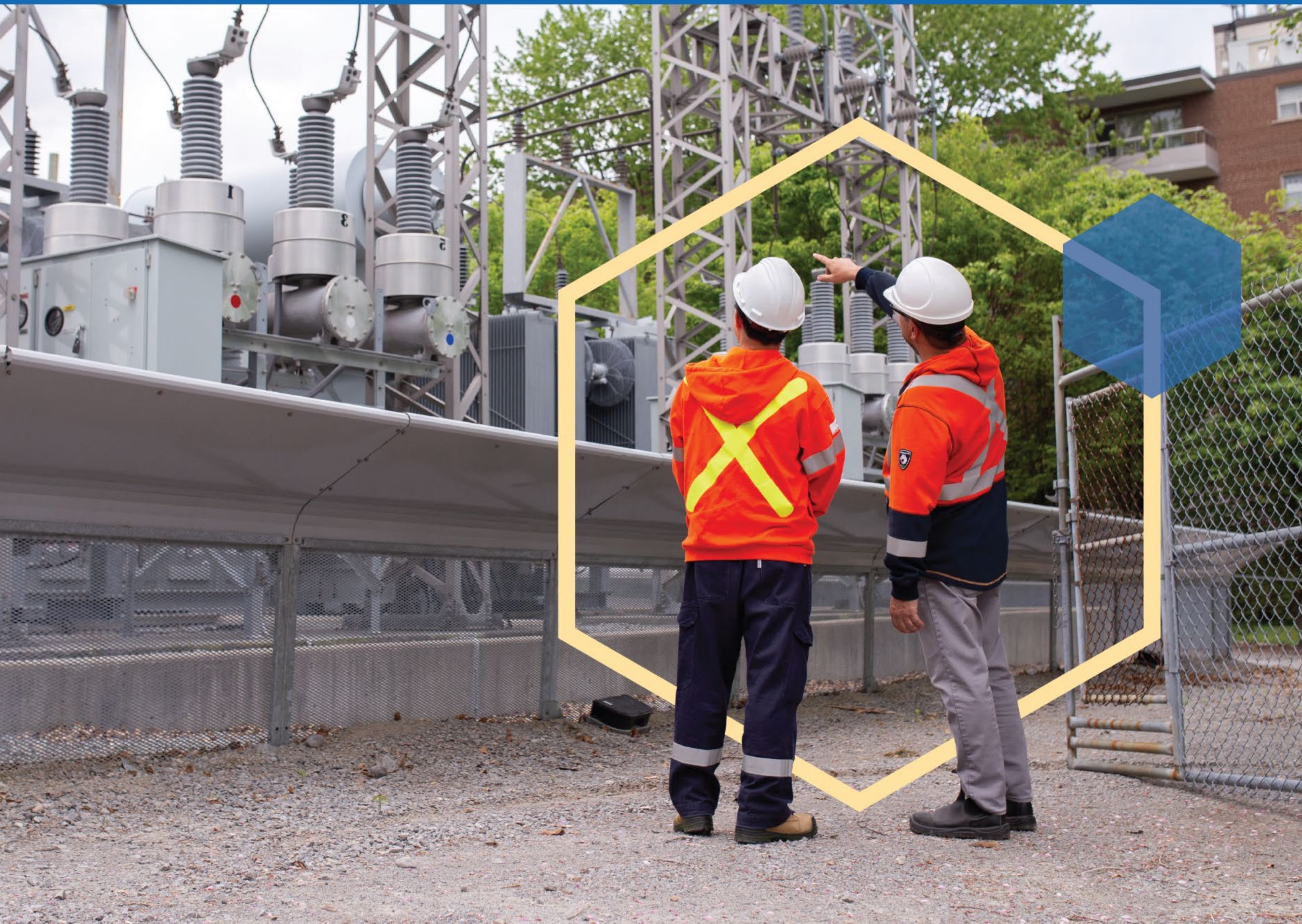
Exhibit 6:
Revenue Requirement and Revenue Deficiency or Sufficiency



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TABLES

ATTACHMENTS

Attachment 6-1: Revenue Requirement Workform
Attachment 6-2: 2023 Corporate Tax Return
Attachment 6-3: 2023 Audited Financial Statements (April 2024)

6.1 REVENUE DEFICIENCY

6.1.1 Overview

The information in this Exhibit supports and summarizes Oshawa Power's request in this Application for a revenue requirement increase for the 2026 Test Year based on its revenue deficiency for 2026, relative to that computed by applying its 2026 load forecast to 2025 electricity distribution rates and the proposed rates for 2026 Test Year. Oshawa Power requires this increase in order to:

- provide necessary cash flow to support its capital and operating budgets for 2026 as described in Exhibits 2 and 4;
- continue to provide a safe, reliable supply of electricity to the customers it serves; and
- allow it to earn a fair return on the cost of its financial capital in a manner consistent with the OEB's 2025 Decision and Order on Cost of Capital & Other Matters (2025 Cost of Capital Decision) issued on March 27, 2025, and as provided in Exhibit 5.

Oshawa Power has provided detailed calculations supporting its 2026 revenue deficiencies in the Revenue Requirement Work Form (RRWF), which accompanies this Application as Attachment 6-1, and has been populated with data corresponding to other Exhibits within this Application.

As required by the Chapter 2 Filing Requirements, Oshawa Power has included the following information in this Exhibit, excluding energy costs (i.e. cost of power and associated costs) and revenues, and unregulated costs and revenues:

- **Determination of Net Income:** see section 6.1.3, Table 6-1
- **Statement of Rate Base**: see section 6.1.4, Table 6-2
- **Actual Return on Rate Base**: see section 6.1.5, Table 6-3, which includes:
    - **Indicated Rate of Return**
    - **Requested Rate of Return**
- **Deficiency or Sufficiency in Revenue**: see section 6.1.6
- **Gross Deficiency in Revenue**: see section 6.1.6

The calculations on which this revenue deficiency was determined are discussed below, followed by summary of the drivers.

6.1.2 Revenue Requirement

Oshawa Power's revenue requirement is comprised of the following components:

- Operations, Maintenance, and Administration Expenses;
- Amortization Expense;
- PILs; and
- Return on Rate Base (Debt Interest Expense + Return on Equity).

Oshawa Power derives its service revenue requirement through: i) distribution rates charged to its customers; and ii) other revenues. Other revenues comprise: OEB-approved specific service charges; late payment charges; and other miscellaneous sources. These other revenues, described in detail in section 6.3, are treated as offsets against Oshawa Power's service revenue requirement, the net amount of which represents the base revenue requirement upon which class-specific distribution rates are calculated.

6.1.3 Determination of Net Utility Income

Oshawa Power's 2026 net income at required rates is $6,622,513 as shown in Table 6-1 below. For more information, see tab 5 of the RRWF.

Table 6-1: Net Income

Description	2026 Test Year
Distribution Revenue	$ 38,848,892
Other Revenue	$ 3,478,107
Total Revenue	**$ 42,326,999**
OM&A	$ 22,271,990
Depreciation	$ 9,467,348
Property Taxes	$ 164,562
Deemed Interest	$ 3,800,586
Total Expenses	**$ 35,704,486**
Utility Income Before Income Taxes	**$ 6,622,513**
Income Taxes	$ -
Utility Net Income	**$ 6,622,513**

6.1.4 Statement of Rate Base

Oshawa Power's Rate Base is calculated based on Oshawa Power's deemed capital structure, and is summarized for the 2026 Test Year in Table 6-2 below. See Exhibit 2, section 2.1 for more information.

Table 6-2: 2026 Rate Base

Rate Base Component	2026 Test Year
Net Fixed Assets (average)	$ 172,160,974
Working Capital Allowance	$ 11,797,711
Rate Base	**$ 183,958,685**

6.1.5 Actual Return on Rate Base

The indicated rate of return with existing rates and required rates for the 2026 Test Year are shown below, based on a capital structure of 60% debt and 40% equity in alignment with the 2025 Cost of Capital Decision. See Exhibit 5, section 5.2 for more information.

Table 6-3: Return on Rate Base for Existing and Required Rates

Description	2026 Test Year Existing Rates	2026 Test Year Required Rates
Rate Base	$ 183,958,685	$ 183,958,685
Return on Debt	3.44%	3.44%
Interest Expense	$ 3,800,586	$ 3,800,586
Return on Equity	9.00%	9.00%
Utility Net Income	$ (47,643)	$ 6,622,513
Total Return on Rate Base	**$ 3,752,943**	**$ 10,423,099**
Rate of Return on Rate Base	**2.04%**	**5.67%**

6.1.6 Revenue Deficiency

There have been no changes in methodologies in calculating revenue deficiency and cost drivers since the Oshawa Power's last Cost of Service application (EB-2020-0048). Oshawa Power's revenue deficiency, calculated net of electricity price differentials captured in the Retail Settlement Variance Accounts, is detailed by item in Table 6-4.

1 **Table 6-4: 2026 Revenue Deficiency**

Description	2026 Test Year Existing Rates	2026 Test Year Required Rates
Revenue:		
Revenue Deficiency		$6,670,156
Distribution Revenue	$32,178,736	$32,178,736
Other Operating Revenue Offsets	$3,478,107	$3,478,107
Total Revenue	$35,656,843	$42,326,999
Costs and Expenses:		
Administrative & General, Billing & Collecting	$16,819,338	$16,819,338
Operations & Maintenance	$5,352,859	$5,352,859
Property Taxes	$164,562	$164,562
Donations-LEAP	$99,793	$99,793
Amortization/Depreciation	$9,467,348	$9,467,348
Deemed Interest Expense	$3,800,586	$3,800,586
Total Cost and Expenses	$35,704,486	$35,704,486
Utility Income Before Income Taxes	($47,643)	$6,622,513
Income Taxes:		
Tax Adjustments to Accounting Income	($6,622,513)	($6,622,513)
Taxable Income	($6,670,156)	$0
Income Tax on Taxable Income	$0	$0
Income Tax Credits	$0	$0
Utility Net Income	($47,643)	$6,622,513
Actual Return on Rate Base:		
Utility Rate Base	$183,958,685	$183,958,685
Interest Expense	$3,800,586	$3,800,586
Net Income	($47,643)	$6,622,513
Total Actual Return on Rate Base	$3,752,943	$10,423,099
Actual Return on Rate Base	2.04%	5.67%
Required Return on Rate Base:		
Utility Rate Base	$183,958,685	$183,958,685
Return on Debt (weighted)	3.44%	3.44%
Return on Equity	9.00%	9.00%
Deemed Interest Expense	$3,800,586	$3,800,586
Return on Equity	$6,622,513	$6,622,513
Total Return	$10,423,099	$10,423,099
Requested Rate of Return on Rate Base	5.67%	5.67%
Revenue Deficiency/(Sufficiency):		
Revenue Deficiency/(Sufficiency)	$6,670,156	$ -
Gross Revenue Deficiency/(Sufficiency)	$6,670,156	

6.1.7 Cost Drivers of Revenue Deficiency

Table 6-5 below summarises the movement in revenue requirement from 2021 Approved to the 2026 Test Year, and the resulting revenue deficiency. The 2022-2025 IRM increase column reflects the cumulative annual increases in each IRM decision from 2022 to 2025.[1]

Table 6-5: Drivers of Revenue Deficiency 2026

Revenue Deficiency Drivers	2021 OEB Approved	2022-2025 IRM (15.6% Increase)	2026 Proposed	Changes 2026 Proposed vs 2021
	A	B	C	D = C - B
Rate Base Calculation				
Fixed Assets Opening Balance	$133,293,239		$167,647,493	
Fixed Assets Closing Balance	$139,840,294		$176,674,454	
Average Fixed Asset Balance for Year	$136,566,767		$172,160,974	
Working Capital Allowance	$10,185,335		$11,797,711	
Rate Base	$146,752,101		$183,958,685	
Regulated Rate of Return	5.28%		5.67%	
Regulated Return on Capital	$7,742,576		$10,423,099	
Revenue Requirement				
Return on Rate Base (from above)	$7,742,576	$8,953,123	$10,423,099	$1,469,976
OM&A Expenses	$13,866,092	$16,034,046	$22,271,990	$6,237,943
Amortization	$6,190,747	$7,158,666	$9,467,348	$2,308,682
Taxes	$152,097	$175,877	$164,562	($11,315)
Service Revenue Requirement	$27,951,512	$32,321,713	$42,326,999	$10,005,286
Revenue Offsets	($1,296,999)	($1,499,784)	($3,478,107)	($1,978,323)
Base Revenue Requirement	$26,654,513	$30,821,929	$38,848,892	$8,026,963

The primary drivers behind the deficiency in 2026 are:

- The cumulative capital investments made in the years 2022 to 2026 increasing the Rate Base from $146.8 million approved for 2021 to $184.0 million in the 2026 Test Year, plus the associated amortization expense. Further detail related to these increases in rate base are included in Exhibit 2, section 2.1 of this Application;
- The increase in OM&A of $6.2 million, details of which are summarised in Exhibit 4 of this Application; and

[1] EB-2021-0051 (3.15%), EB-2022-0057 (3.55%), EB-2023-0046 (4.65%), EB-2024-0049 (3.45%). 15.6% = (1+3.15%) * (1+3.55%) * (1+4.65%) * (1+3.45%) -1

- An increase in revenue offsets of $2.0 million, principally due to the shift of deferred revenue amortization from an amortization offset to other revenues, which has a corresponding increase to amortization expense, and an increase in interest income. Further details are included in section 6.3 of this Exhibit.

6.2 TAXES OR PAYMENTS IN LIEU OF TAXES (PILs) AND PROPERTY TAXES

6.2.1 Income Taxes or PILs

Oshawa Power is subject to the payment of Payments in Lieu of Taxes (PILs) on its taxable income, as calculated in accordance with Section 93 of the Electricity Act, 1998 (Ontario), as amended. Oshawa Power is exempt from income taxes under both the Income Tax Act (Canada) and the Corporations Tax Act (Ontario).

For the 2026 Test Year, Oshawa Power's PILs payable are projected to be **$0**.

Table 6-6 below summarizes the actual PILs amounts from 2021 to 2023, and the projected PILs for 2024 (historical year), 2025 (Bridge Year), and 2026 (Test Year) for regulatory rate-setting purposes.

Table 6-6: PILs Payable 2021 – 2026

Year	PILS
2021 Actuals	$0
2022 Actuals	$59,564
2023 Actuals	$0
2024 Projected	$0
2025 Bridge Year	$0
2026 Test Year	$0

The projected PILs amount of $0 for 2024 is primarily the result of timing differences between the depreciation of capital assets for accounting purposes and the Capital Cost Allowance (CCA) used for income tax purposes. These differences are driven by Oshawa Power's high levels of capital investment and the application of the Accelerated Investment Incentive Property (AIIP) measures, introduced on April 8, 2019, under Canadian Bill C-97.

In line with the guidance provided in the OEB's Accounting Procedures Handbook (APH), Oshawa Power has applied these tax measures appropriately. As a result, for tax purposes, the CCA significantly exceeds accounting depreciation, leading to lower taxable income and consequently a reduction in the effective PILs payable, well below what would otherwise be calculated using the combined federal and Ontario statutory rates applied to regulatory income before PILs.

The $0 PILs projection for 2026 is largely attributed to the availability of non-capital loss carry forwards from 2025 and earlier taxation years. These losses were primarily generated by the same timing differences in asset depreciation between accounting and tax treatment discussed above.

A full version of the Income Tax/PILs model is included in this Application as a standalone excel document.

Oshawa Power's 2023 Corporate Tax Return is included as Attachment 6-2. The 2023 Audited Financial Statements issued in April 2024 are included as Attachment 6-3. These Statements included an arithmetic error in Other Comprehensive Income that did not have a tax impact; the error has been addressed in the 2024 Audited Financial Statements (Attachment 1-13).

Oshawa Power has not yet filed its 2024 Corporate Income Tax Return. Once the return is filed, the 2024 income tax projection will be updated using actual information from the T2 return. Any required adjustments to the 2024 Bridge Year and 2025 Test Year Income Tax/PILs models will be made accordingly. If these updates impact the current rate application, the revised information will be incorporated and submitted during the interrogatory phase.

Tables 6-7 and 6-8 below provide detailed summaries of PILs calculations, including adjustments to taxable income, for the years 2021 through 2026.

1

Table 6-7: Tax Calculations 2021 – 2023

Description		2021 Actuals	2022 Actuals	2023 Actuals
Net Income Before Taxes (Return on Equity)		5,067	5,225	6,093
Tax Adjustments to Accounting Income		(4,857)	(4,652)	(7,100)
Non-capital losses of other years		0	0	0
Regulatory Taxable Income	A	$210	$573	$(1,007)
Ontario Income Tax Rate	B	11.50%	11.50%	11.50%
Ontario Basic Income Tax	C = A * B	$24	$66	$0
Ontario Small Business Threshold	D	$500	$500	$500
Rate reduction (not applicable)	E	0.00%	0.00%	0.00%
Ontario Small business credit	F = D * E	$0	$0	$0
CMT & Other Adjustments	G	$137	$84	$91
Ontario Income tax incl. CMT	J = C + F + G	$161	$150	$91
Combined Tax Rate and PILs				
Effective Ontario Tax Rate (ex CMT)	K = C / A	11.50%	11.50%	0.00%
Federal tax rate	L	15.00%	15.00%	15.00%
Combined tax rate	M = K + L	26.50%	26.50%	15.00%
Total Income Taxes (ex CMT)	N = A * M (If +)	$56	$152	$0
Investment Tax Credits	O	$31	$65	$0
Miscellaneous Tax Credits	P	$40	$28	$11
Total Tax Credits	Q = O + P	$71	$92	$11
Corporate PILs/Income Tax Expense for Year	**R = N - Q (If +)**	**$0**	**$60**	**$0**

Tax Adjustments to Accounting Income

Additions:			
Amortization of tangible assets	8,000	8,109	8,294
Amortization of MIFRS PP&E Deferral Account	0	0	0
Amortization of intangible assets	0	0	0
Loss on disposal of assets	264	89	0
Charitable donations	2	3	1
Scientific research expenditures deducted	325	100	51
Non-deductible meals and entertainment exp	0	0	0
Reserves from FS - balance at end of year	12,885	12,923	12,815
ITC's recorded for accounting (PY Reversal)	0	0	0
Non-deductible penalties	0	0	0
ITC's and other	2,160	1,418	2,685
Total Additions	**23,636**	**22,642**	**23,845**
Deductions:			
Capital cost allowance from Schedule 8	10,850	11,398	12,887
Scientific research expenses claimed in year	277	70	0
Reserves from FS - Bal at beginning of year	12,836	12,885	12,923
Interest capitalized for accounting deducted for tax	134	109	298
Other Deductions	4,396	2,832	4,837
Total Deductions	**28,493**	**27,294**	**30,945**
Tax Adjustments to Accounting Income	**(4,857)**	**(4,652)**	**(7,100)**

1

Table 6-8: Tax Calculations 2024 – 2026

Description		2024 Actuals	2025 Bridge Year	2026 Test Year
Net Income Before Taxes (Return on Equity)		3,753	3,326	6,623
Tax Adjustments to Accounting Income		(4,590)	(6,267)	(5,275)
Non-capital losses of other years		0	0	(1,348)
Regulatory Taxable Income	A	$(836)	$(2,941)	$(0)
Ontario Income Tax Rate	B	11.50%	11.50%	11.50%
Ontario Basic Income Tax	C = A * B	$0	$0	$0
Ontario Small Business Threshold	D	$500	$500	$500
Rate reduction (not applicable)	E	0.00%	0.00%	0.00%
Ontario Small business credit	F = D * E	$0	$0	$0
CMT & Other Adjustments	G	$101	$90	$0
Ontario Income tax incl. CMT	J = C + F + G	$101	$90	$0
Combined Tax Rate and PILs				
Effective Ontario Tax Rate (ex CMT)	K = C / A	0.00%	0.00%	0.00%
Federal tax rate	L	15.00%	15.00%	15.00%
Combined tax rate	M = K + L	15.00%	15.00%	15.00%
Total Income Taxes (ex CMT)	N = A * M (If +)	$0	$0	$0
Investment Tax Credits	O	$0	$0	$0
Miscellaneous Tax Credits	P	$11	$11	$11
Total Tax Credits	Q = O + P	$11	$11	$11
Corporate PILs/Income Tax Expense for Year	**R = N - Q (If +)**	**$0**	**$0**	**$0**

Additions:			
Amortization of tangible assets	8,508	9,391	9,926
Amortization of MIFRS PP&E Deferral Account	0	0	0
Amortization of intangible assets	0	0	0
Loss on disposal of assets	221	157	157
Charitable donations	1	1	1
Scientific research expenditures deducted	51	51	51
Non-deductible meals and entertainment exp	0	0	0
Reserves from FS - balance at end of year	12,793	12,793	12,793
ITC's recorded for accounting (PY Reversal)	0	0	0
Non-deductible penalties	0	0	0
ITC's and other	4,903	2,394	3,268
Total Additions	**26,477**	**24,786**	**26,195**
Deductions:			
Capital cost allowance from Schedule 8	10,243	12,647	12,104
Scientific research expenses claimed in year	0	0	0
Reserves from FS - Bal at beginning of year	12,815	12,793	12,793
Interest capitalized for accounting deducted for tax	373	310	318
Other Deductions	7,636	5,302	6,255
Total Deductions	**31,066**	**31,053**	**31,470**
Tax Adjustments to Accounting Income	**(4,590)**	**(6,267)**	**(5,275)**

6.2.2 Accelerated CCA

In 2019, the OEB issued a letter directing regulated utilities to record the impact of accelerated CCA rule changes – introduced in Bill C-97 – to the 1592 PILs and Tax Variance Account. This requirement applies to the period from November 21, 2018, until the effective date of a utility's next cost-based rate order.

Bill C-97 introduced the Accelerated Investment Incentive Program, which allows for enhanced CCA deductions on eligible property in the year of acquisition.

In accordance with this directive:

- Oshawa Power recorded 2019 CCA AIIP Savings of ($125,774) consisting of principal and forecast interest, which was approved for disposition as per Oshawa Power's 2021 Cost of Service Decision and Rate Order (EB-2020-0048).
- Oshawa Power has recorded 2020 CCA AIIP Savings of ($449,209). A credit balance of $(522,809) consisting of principal and forecast interest has been requested for disposition in this Application.
- Oshawa Power has forecast 2024 CCA AIIP Expense of $123,667 based upon the preliminary 2024 Tax Return following AIIP phase-out rules. Oshawa Power is requesting disposition of a debit balance of $134,086 consisting of principal and forecast interest in this Application.
- Oshawa Power has forecast 2025 CCA AIIP Expense of $269,627 for the 2025 Bridge Year following AIIP phase-out rules. Oshawa Power is requesting disposition of a debit balance of $278,471 consisting of principal and forecast interest in this Application.

Tables 6-9 to 6-11 provide detailed calculations of CCA for each from 2021 through 2026.

Table 6-9: CCA Calculations 2021 – 2022 Actuals

2021 Actuals

CCA Class	Description	UCC Opening Balance	Additions	Adjustments	Proceeds of Disposition	Immediate Expensing	Additions that are AIIP	Adj for 50% Rule or AIIP	CCA Rate	CCA	UCC Closing Balance
1	Buildings, Distr Equipment	28,997,762							4%	1,159,910	27,837,852
8	Office & Other Equipment	1,225,558		(116,881)					20%	221,735	886,941
10	Rolling Stock, Computer Hardware	849,794							30%	254,938	594,856
10.1	Chevrolet Volt	1,080							30%	324	756
12	Computer Software	0	226,037						100%	226,037	0
13	Leasehold Improvements	66,146	459,238				459,238			184,476	340,908
42	Fibre Optics	10,770							12%	1,292	9,477
45	Computer Hardware - Accelerated	53							45%	24	29
45.1	Computer Hardware (pre 2007)	25							55%	11	14
47	Transmission/Dist'n Equipment	87,060,133	11,259,067		45,839		11,259,067	5,606,614	8%	8,310,398	89,962,963
50	Gen. Purpose DP equip/SW	111,772	520,143				520,143	260,072	55%	490,593	141,322
Total		**118,323,093**	**12,464,485**	**(116,881)**	**45,839**	**0**	**12,238,448**	**5,866,686**		**10,849,739**	**119,775,119**

2022 Actuals

CCA Class	Description	UCC Opening Balance	Additions	Adjustments	Proceeds of Disposition	Immediate Expensing	Additions that are AIIP	Adj for 50% Rule or AIIP	CCA Rate	CCA	UCC Closing Balance
1	Buildings, Distr Equipment	27,837,852							4%	1,113,514	26,724,338
8	Office & Other Equipment	886,941	303,480		1,813	303,480			20%	480,506	708,103
10	Rolling Stock, Computer Hardware	594,856	438,284			438,284			30%	616,741	416,399
10.1	Chevrolet Volt	756							30%	227	529
12	Computer Software	0	26,657			26,657			100%	26,657	0
13	Leasehold Improvements	340,908	155,379			155,379				157,902	338,384
42	Fibre Optics	9,477							12%	1,137	8,340
45	Computer Hardware - Accelerated	29							45%	13	16
45.1	Computer Hardware (pre 2007)	14							55%	6	9
47	Transmission/Dist'n Equipment	89,962,963	9,817,838		6,815		9,817,838	4,905,512	8%	8,374,360	91,399,626
50	Gen. Purpose DP equip/SW	141,322	549,188			549,188			55%	626,915	63,595
Total		**119,775,119**	**11,290,826**	**0**	**8,628**	**1,472,988**	**9,817,838**	**4,905,512**		**11,397,978**	**119,659,339**

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Table 6-10: CCA Calculations 2023 – 2024 Actual

2023 Actuals

CCA Class	Description	UCC Opening Balance	Additions	Adjustments	Proceeds of Disposition	Immediate Expensing	Additions that are AIIP	Adj for 50% Rule or AIIP	CCA Rate	CCA	UCC Closing Balance
1	Buildings, Distr Equipment	26,724,338		(6,377,600)					4%	813,870	19,532,868
8	Office & Other Equipment	708,103	246,137		2,509	246,137			20%	387,255	564,475
10	Rolling Stock, Computer Hardware	416,399	767,520		138,500	767,520			30%	850,890	194,529
10.1	Chevrolet Volt	529							30%	159	371
12	Computer Software	0	997,537			149,002	848,535		100%	997,537	0
13	Leasehold Improvements	338,384	328,161				328,161			155,740	510,806
42	Fibre Optics	8,340							12%	1,001	7,339
45	Computer Hardware - Accelerated	16							45%	7	9
45.1	Computer Hardware (pre 2007)	9							55%	5	4
47	Transmission/Dist'n Equipment	91,399,626	16,634,050				16,634,050	8,317,025	8%	9,308,056	98,725,620
50	Gen. Purpose DP equip/SW	63,595	337,341			337,341			55%	372,318	28,618
Total		**119,659,339**	**19,310,746**	**(6,377,600)**	**141,009**	**1,500,000**	**17,810,746**	**8,317,025**		**12,886,837**	**119,564,639**

2024 Actuals

CCA Class	Description	UCC Opening Balance	Additions	Adjustments	Proceeds of Disposition	Immediate Expensing	Additions that are AIIP	Adj for 50% Rule or AIIP	CCA Rate	CCA	UCC Closing Balance
1	Buildings, Distr Equipment	19,532,868							4%	781,315	18,751,554
8	Office & Other Equipment	564,475	168,527				168,527		20%	146,600	586,401
10	Rolling Stock, Computer Hardware	194,529	60,978		40,000		60,978		30%	64,652	150,855
10.1	Chevrolet Volt	371							30%	111	259
12	Computer Software	0	513,101				513,101		100%	513,101	0
13	Leasehold Improvements	510,806								188,556	322,250
42	Fibre Optics	7,339							12%	881	6,458
45	Computer Hardware - Accelerated	9							45%	4	5
45.1	Computer Hardware (pre 2007)	4							55%	2	2
47	Transmission/Dist'n Equipment	98,725,620	7,648,206				7,648,206		8%	8,509,906	97,863,920
50	Gen. Purpose DP equip/SW	28,618	40,261				40,261		55%	37,883	30,995
Total		**119,564,639**	**8,431,072**	**0**	**40,000**	**0**	**8,431,072**	**0**		**10,243,011**	**117,712,700**

Table 6-11: CCA Calculations 2025 Bridge & 2026 Test Year

2025 Bridge Year

CCA Class	Description	UCC Opening Balance	Additions	Adjustments	Proceeds of Disposition	Immediate Expensing	Additions that are AIIP	Adj for 50% Rule or AIIP	CCA Rate	CCA	UCC Closing Balance
1	Buildings, Distr Equipment	18,751,554							4%	750,062	18,001,491
8	Office & Other Equipment	586,401	351,406				351,406		20%	187,561	750,246
10	Rolling Stock, Computer Hardware	150,855	681,000				681,000		30%	249,556	582,298
10.1	Chevrolet Volt	259					0		30%	78	182
12	Computer Software	0	2,171,200				2,171,200		100%	2,171,200	0
13	Leasehold Improvements	322,250	50,000				50,000			147,632	224,619
42	Fibre Optics	6,458							12%	775	5,683
45	Computer Hardware - Accelerated	5							45%	2	3
45.1	Computer Hardware (pre 2007)	2							55%	1	1
47	Transmission/Dist'n Equipment	97,863,920	16,180,500				16,180,500		8%	9,123,554	104,920,866
50	Gen. Purpose DP equip/SW	30,995							55%	17,047	13,948
Total		**117,712,700**	**19,434,106**	**0**	**0**	**0**	**19,434,106**	**0**		**12,647,469**	**124,499,337**

2026 Test Year

CCA Class	Description	UCC Opening Balance	Additions	Adjustments	Proceeds of Disposition	Immediate Expensing	Additions that are AIIP	Adj for 50% Rule or AIIP	CCA Rate	CCA	UCC Closing Balance
1	Buildings, Distr Equipment	18,001,491					0		4%	720,060	17,281,432
8	Office & Other Equipment	750,246	432,323				432,323		20%	236,514	946,055
10	Rolling Stock, Computer Hardware	582,298	812,400				812,400		30%	418,410	976,289
10.1	Chevrolet Volt	182					0		30%	54	127
12	Computer Software	0	802,500				802,500		100%	802,500	0
13	Leasehold Improvements	224,619	100,000				100,000			101,170	223,448
42	Fibre Optics	5,683					0		12%	682	5,001
45	Computer Hardware - Accelerated	3					0		45%	1	1
45.1	Computer Hardware (pre 2007)	1					0		55%	0	0
47	Transmission/Dist'n Equipment	104,920,866	17,789,219				17,789,219		8%	9,816,807	112,893,278
50	Gen. Purpose DP equip/SW	13,948					0		55%	7,671	6,277
Total		**124,499,337**	**19,936,442**	**0**	**0**	**0**	**19,936,442**	**0**		**12,103,869**	**132,331,909**

Oshawa Power requests approval to dispose of a credit balance of ($110,253) including forecast interest to December 31, 2025 for Account 1592 PILs and Tax Variance – Sub-account CCA Changes. Oshawa Power is not proposing a mechanism to smooth the tax impacts over the five-year IRM term.

6.2.3 Tax Credits, Additions and Deductions

Tax Credits

The tax credits included in the PILs model for test year are based on the Ontario Co-operative Education Tax Credit (CETC), which provides tax relief to employers who hire students enrolled in eligible co-operative education programs at recognized post-secondary institutions.

The total tax credit amount of $11,356 included in the PILs model has been determined based on historical staffing patterns and past claims under the CETC program. This estimate reflects a reasonable expectation of future tax credits that the Organization is likely to realize, based on consistent past practice.

This amount is deducted from the income tax provision in the PILs model in accordance with regulatory requirements and ensures accurate reflection of Oshawa Power's tax position. Refer to 2026 PILs Work Form, tab "T0 PILs, Tax Provision Test".

Other Additions and Deductions

As part of this Application, Oshawa Power has included adjustments under Other Additions and Deductions in the PILs model to align accounting income with taxable income in accordance with the Income Tax Act. These adjustments are necessary to reflect timing and treatment differences between financial reporting and tax legislation and are consistent with historical filing practices. The calculations are documented in the 2026 PILs Work Form, tab "T1 Sch taxable income test."

Other Additions include amounts that are not deductible for tax purposes but are recorded as expenses in accounting. These include the recapture of SR&ED expenditures based on historical claims, interest expensed on capital leases, and capital contributions received. These items are added back to accounting income to reflect their appropriate tax treatment.

Other Deductions represent amounts that are deductible for tax but not expensed for accounting purposes. These include interest capitalized for accounting but deducted for tax, capital lease payments, amortization of interest, capital contributions recognized as deferred revenue, and amortization of financing fees. These deductions reduce taxable income in accordance with the provisions of the Income Tax Act.

6.2.4 Other Taxes

The only tax expense included is Payment in Lieu of Property Taxes, which is recorded under Account 6105. No other taxes have been included. As per the APH, Account 6105 is excluded from OM&A totals.

6.2.5 Non-Recoverable and Disallowed Expenses

There are no expenses of this nature by Oshawa Power. As such, no non-recoverable or disallowed expenses have been included in the regulatory tax calculation.

6.3 OTHER REVENUE

6.3.1 Overview

Other Revenue include Specific Service charges, Late Payment charges, Other Operating Revenues, and Other Income or Deductions. In this Application, Oshawa Power forecast the 2026 Test Year amount of $3,478,107.

Specific service charges revenues in the 2026 Test Year were forecast with consideration of specific service charges included in the proposed tariff of rates and charges. The revenues or costs (including interest) associated with deferral accounts, variance accounts and regulatory assets are included in Account 4405 for 2021 to 2024 historical years, but were not included for the 2025 Bridge and 2026 Test Years. Proposed Other Revenue for the 2025 Bridge Year and the 2026 Test Year has been calculated based on historical experience, other than the exception noted regarding interest on deferral and variance accounts. Oshawa Power does not have any discrete customer groups that may be materially impacted by the changes to other rates, and charges.

Table 6-12 below provides Oshawa Power's 2021 to 2024 actuals and 2025 to 2026 forecast Other Revenues.

Table 6-12: Other Operating Revenue (Appendix 2-H)

USoA #	USoA Description	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Bridge Year	2026 Test Year
4084	Service Transaction Requests (STR) Revenues	($323)	($335)	($301)	($557)	-	-
4086	SSS Administration Revenue	($197,555)	($176,374)	($177,325)	($181,186)	($190,549)	($193,629)
4210	Rent from Electric Property	($386,841)	($392,024)	($407,058)	($410,723)	($402,120)	($371,104)
4225	Late Payment Charges	($275,233)	($431,812)	($485,496)	($525,619)	($413,700)	($416,050)
4235	Miscellaneous Service Revenues	($740,012)	($474,807)	($656,666)	($540,230)	($409,142)	($411,466)
4245	Government and Other Assistance Directly Credited to Income	($1,196,433)	($1,288,832)	($1,286,519)	($1,399,017)	($1,498,681)	($1,566,840)
4305	Regulatory Debits	-	-	-	$358,887	$371,269	-
4325	Revenues from Merchandise	($412,824)	($393,805)	($1,212,719)	($116,201)	($240,000)	($240,000)
4330	Costs and Expenses of Merchandising	$407,511	$357,198	$1,001,559	$91,747	$230,000	$230,000
4355	Gain on Disposition of Utility and Other Property	($36,568)	($8,628)	($141,010)	($40,000)	-	($57,911)
4360	Loss on Disposition of Utility and Other Property	$300,873	$88,717	$80,220	$261,110	-	-
4375	Revenues from Non Rate-Regulated Utility Operations	($2,935,165)	($729,057)	($67,349)	$833,428	-	-
4380	Expenses of Non Rate-Regulated Utility Operations	$2,936,701	$968,203	$72,360	($833,428)	-	-
4390	Miscellaneous Non-Operating Income	($127,539)	($85,772)	($85,735)	($114,918)	($25,000)	($25,142)
4405	Interest and Dividend Income	($109,764)	($451,943)	($880,544)	($528,861)	($423,559)	($425,965)
Miscellaneous Service Revenues		($740,012)	($474,807)	($656,666)	($540,230)	($409,142)	($411,466)
Late Payment Charges		($275,233)	($431,812)	($485,496)	($525,619)	($413,700)	($416,050)
Other Operating Revenues		($1,781,152)	($1,857,566)	($1,871,203)	($1,991,484)	($2,091,350)	($2,131,573)
Other Income or Deductions		$23,225	($255,086)	($1,233,218)	($88,235)	($87,289)	($519,018)
Total		**($2,773,173)**	**($3,019,271)**	**($4,246,583)**	**($3,145,569)**	**($3,001,481)**	**($3,478,107)**

Tables 6-13 and 6-14 provide account summary breakdown for Other Operating Revenues.

Table 6-13: Other Operating Revenue (4210)

4210 - Rent from Electric Property	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Bridge Year	2026 Test Year
Pole Rental - OPUCS	($57,272)	($58,696)	($58,699)	($60,196)	($58,699)	($53,485)
Duct Rental - OPUCS	($25,723)	($26,276)	($27,642)	($29,268)	($29,268)	($29,268)
Pole Rental - Non-Affiliates	($303,846)	($307,053)	($320,717)	($321,259)	($314,153)	($288,350)
Total	**($386,841)**	**($392,024)**	**($407,058)**	**($410,723)**	**($402,120)**	**($371,104)**

Oshawa Power charges market rates for Pole or Duct space rented by its affiliate Oshawa PUC Services Inc. (OPUCS, which includes Durham Broadband) as well as to non-affiliates. The rental revenue from both affiliate and non-affiliate is recorded in Account 4210. Oshawa Power also recognizes revenue differences from the prevailing rate approved by the OEB and the charge incorporated into Oshawa Power's base distribution rates in this account. A reconciliation of the pole and duct rental revenue from its affiliate can be found in Exhibit 4, in section 4.5 on Shared Services.

Oshawa Power confirms that transfer pricing and allocation of cost methods do not result in cross-subsidization between regulated and non-regulated lines of business and in compliance with article 340 of the APH.

Table 6-14: Other Operating Revenue (4245)

4245 - Government and Other Assistance Directly Credited to Income	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Bridge Year	2026 Test Year
Deferred contributions recognized as revenue	($1,196,433)	($1,288,832)	($1,286,519)	($1,399,017)	($1,498,681)	($1,566,840)

Effective on the date of IFRS adoption, customer contributions are no longer recorded in Account 1995 Contributions & Grants, and will now be recorded in Account 2440, Deferred Revenues.

Reported amortization amounts in Account 4245 – Government and Other Assistance Directly Credited to Income for years 2021 to 2023 in the Tables 6-12 and 6-14 above were reported in Account 5705 for those years. Oshawa Power identified during preparation of this Application that it had been reporting the deferred contributions in Account 1995 as opposed to 2440 and recording amortization in Account 5705 as opposed to 4245 as recommended by the APH for RRR 2.1.7 Trial Balance reporting purposes. Oshawa Power is preparing RRR revision requests to be submitted in order to reallocate these balances to the appropriate accounts. Oshawa Power's audited financial statements have correctly reflected the balances of these above mentioned accounts.

The year-over-year change in the amortization of capital contributions is primarily driven by the capital contributions received from developers and the projects closed during the year. Amortization is calculated over the expected life of the projects funded by these contributions, resulting in variations in amortization in subsequent years.

Table 6-15 provides account summary breakdown for Other Income or Deductions (4375 and 4380).

Table 6-15: Revenue & Expense from Non Rate-Regulated Utility Operations

4375 - Revenues from Non Rate-Regulated Utility Operations & 4380 - Expenses of Non Rate-Regulated Utility Operations	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Bridge Year	2026 Test Year
4375 - Revenues from Non Rate-Regulated Utility Operations	($2,935,165)	($729,057)	($67,349)	$833,428	-	-
4380 - Expenses of Non Rate-Regulated Utility Operations	$2,936,701	$968,203	$72,360	($833,428)	-	-
Total	$1,536	$239,146	$5,011	-	-	-

For historical years from 2021 to 2024, Oshawa Power has been recording only revenue and expenses related to the CDM programs in Accounts 4375 and 4380. In 2022, a net expense of $239,146 was recognized. The majority of this net expense in the amount of $206,022 relates to programs managed by a third-party contractor hired to run the Residential New Construction, Homes Assistance and High Performance New Construction Programs on behalf of Oshawa Power during the Conservation First Framework. In addition, a net expense in the amount of $35,135 can be attributed to Small Business Lightning Program. The total net expense represents the expenses incurred or incentives paid to customers under the Conservation First Framework that were not recoverable from IESO.

6.3.2 Variance Analysis of Other Revenue

The following Tables 6-16 to 6-20 provide comparison of actual revenues for historical years to forecast revenues for Bridge and Test Years, including explanations for significant variances in year-over-year comparisons.

Table 6-16: 2021 Actual vs 2022 Actual

USoA #	USoA Description	2021 Actual	2022 Actual	Variance 2021 vs 2022 (Actuals)
4084	Service Transaction Requests (STR) Revenues	($323)	($335)	$12
4086	SSS Administration Revenue	($197,555)	($176,374)	($21,181)
4210	Rent from Electric Property	($386,841)	($392,024)	$5,183
4225	Late Payment Charges	($275,233)	($431,812)	$156,579
4235	Miscellaneous Service Revenues	($740,012)	($474,807)	($265,206)
4245	Government and Other Assistance Directly Credited to Income	($1,196,433)	($1,288,832)	$92,399
4305	Regulatory Debits	-	-	-
4325	Revenues from Merchandise	($412,824)	($393,805)	($19,019)
4330	Costs and Expenses of Merchandising	$407,511	$357,198	$50,313
4355	Gain on Disposition of Utility and Other Property	($36,568)	($8,628)	($27,940)
4360	Loss on Disposition of Utility and Other Property	$300,873	$88,717	$212,156
4375	Revenues from Non Rate-Regulated Utility Operations	($2,935,165)	($729,057)	($2,206,108)
4380	Expenses of Non Rate-Regulated Utility Operations	$2,936,701	$968,203	$1,968,498
4390	Miscellaneous Non-Operating Income	($127,539)	($85,772)	($41,767)
4405	Interest and Dividend Income	($109,764)	($451,943)	$342,179
Total		**($2,773,173)**	**($3,019,271)**	**$246,098**

Late Payment Charges revenue (4225) have increased by 49% for Residential customers and 83% for other customers in 2022 from 2021.

Miscellaneous Service Revenues (4235) were lower in 2022 by $265,206 primarily driven by fewer number of jobs relating to enhancement revenue in 2022 being performed compared to the prior year.

Interest and Dividend Income (4405) increased $342,179 or 312% due to higher interest income earned driven by rise in interest rates seen throughout the year combined with an overall higher bank balance.

Reduction in Loss on Disposition of Utility and Other Property (4360) was driven by an increase in age of replaced assets combined with timing of projects.

1 **Table 6-17: 2022 Actual vs 2023 Actual**

USoA #	USoA Description	2022 Actual	2023 Actual	Variance 2022 vs 2023 (Actuals)
4084	Service Transaction Requests (STR) Revenues	($335)	($301)	($34)
4086	SSS Administration Revenue	($176,374)	($177,325)	$952
4210	Rent from Electric Property	($392,024)	($407,058)	$15,033
4225	Late Payment Charges	($431,812)	($485,496)	$53,683
4235	Miscellaneous Service Revenues	($474,807)	($656,666)	$181,860
4245	Government and Other Assistance Directly Credited to Income	($1,288,832)	($1,286,519)	($2,313)
4305	Regulatory Debits	-	-	-
4325	Revenues from Merchandise	($393,805)	($1,212,719)	$818,914
4330	Costs and Expenses of Merchandising	$357,198	$1,001,559	($644,361)
4355	Gain on Disposition of Utility and Other Property	($8,628)	($141,010)	$132,381
4360	Loss on Disposition of Utility and Other Property	$88,717	$80,220	$8,497
4375	Revenues from Non Rate-Regulated Utility Operations	($729,057)	($67,349)	($661,708)
4380	Expenses of Non Rate-Regulated Utility Operations	$968,203	$72,360	$895,843
4390	Miscellaneous Non-Operating Income	($85,772)	($85,735)	($37)
4405	Interest and Dividend Income	($451,943)	($880,544)	$428,601
Total		**($3,019,271)**	**($4,246,583)**	**$1,227,313**

2 Miscellaneous Service Revenues (4235) increased $181,860 compared to the prior
3 year, driven by an increase in enhancement revenue projects.
4 Interest and Dividend Income (4405) increased $428,601 due to higher interest income,
5 driven by higher interest rate observed throughout 2023 than in 2022.
6 Gain on Disposition of Utility and Other Property (4355) was $132,381 higher than prior
7 year, driven by the sale of fully depreciated vehicles.

8 **Table 6-18: 2023 Actual vs 2024 Actual**

USoA #	USoA Description	2023 Actual	2024 Actual	Variance 2023 vs 2024 (Actuals)
4084	Service Transaction Requests (STR) Revenues	($301)	($557)	$256
4086	SSS Administration Revenue	($177,325)	($181,186)	$3,861
4210	Rent from Electric Property	($407,058)	($410,723)	$3,666
4225	Late Payment Charges	($485,496)	($525,619)	$40,123
4235	Miscellaneous Service Revenues	($656,666)	($540,230)	($116,436)
4245	Government and Other Assistance Directly Credited to Income	($1,286,519)	($1,399,017)	$112,498
4305	Regulatory Debits	-	$358,887	($358,887)
4325	Revenues from Merchandise	($1,212,719)	($116,201)	($1,096,518)
4330	Costs and Expenses of Merchandising	$1,001,559	$91,747	$909,812
4355	Gain on Disposition of Utility and Other Property	($141,010)	($40,000)	($101,010)
4360	Loss on Disposition of Utility and Other Property	$80,220	$261,110	($180,891)
4375	Revenues from Non Rate-Regulated Utility Operations	($67,349)	$833,428	($900,777)
4380	Expenses of Non Rate-Regulated Utility Operations	$72,360	($833,428)	$905,787
4390	Miscellaneous Non-Operating Income	($85,735)	($114,918)	$29,183
4405	Interest and Dividend Income	($880,544)	($528,861)	($351,683)
Total		**($4,246,583)**	**($3,145,569)**	**($1,101,015)**

Regulatory Debits (4305) of $358,887 in 2024 arose from the OEB Decision and Order Getting Ontario Connected Act (GOCA) accounting guidance (EB-2023-0143). This amount represents the Locates revenue requirement from the last Cost of Service application, adjusted to annual IRM inflation in 2024.

Miscellaneous Service Revenues (4235) decreased $116,436 compared to prior year, driven by timing of enhancement revenue projects and partially offset by a rise in residential reconnection charge.

Interest and Dividend Income (4405) decreased $351,683 due to a combination of falling interest rates throughout the year and lower average bank balance in 2024.

Gain on Disposition of Utility and Other Property (4355) was $101,010 lower than in prior year. In 2023, two fully depreciated vehicles were disposed of resulting in higher gains than in 2024. Loss on Disposition of Utility and Other Property (4360) was $180,891 higher in 2024 driven by timing of projects.

Table 6-19: 2024 Actual vs 2025 Bridge Year

USoA #	USoA Description	2024 Actual	2025 Bridge Year	Variance 2024 Actual vs 2025 Bridge Year
4084	Service Transaction Requests (STR) Revenues	($557)	-	($557)
4086	SSS Administration Revenue	($181,186)	($190,549)	$9,363
4210	Rent from Electric Property	($410,723)	($402,120)	($8,604)
4225	Late Payment Charges	($525,619)	($413,700)	($111,919)
4235	Miscellaneous Service Revenues	($540,230)	($409,142)	($131,088)
4245	Government and Other Assistance Directly Credited to Income	($1,399,017)	($1,498,681)	$99,664
4305	Regulatory Debits	$358,887	$371,269	($12,382)
4325	Revenues from Merchandise	($116,201)	($240,000)	$123,799
4330	Costs and Expenses of Merchandising	$91,747	$230,000	($138,253)
4355	Gain on Disposition of Utility and Other Property	($40,000)	-	($40,000)
4360	Loss on Disposition of Utility and Other Property	$261,110	-	$261,110
4375	Revenues from Non Rate-Regulated Utility Operations	$833,428	-	$833,428
4380	Expenses of Non Rate-Regulated Utility Operations	($833,428)	-	($833,428)
4390	Miscellaneous Non-Operating Income	($114,918)	($25,000)	($89,918)
4405	Interest and Dividend Income	($528,861)	($423,559)	($105,303)
Total		**($3,145,569)**	**($3,001,481)**	**($144,087)**

Miscellaneous Service Revenues (4235) are forecast to be $131,088 lower than 2024, mainly driven by an increase in collection efforts in 2025 reducing reconnection charges.

Late Payment Charges (4225) are also forecast to decrease by $111,919 compared to the prior year as a result of the increased in collection efforts.

Interest and Dividend Income (4405) are forecast to decrease by $105,303 due to forecast reduction in interest earned on bank balances as a result of declining interest rate seen in prior year.

Loss on Disposition of Utility and Other Property (4360) are forecast to be $261,110 lower as assets deposed of are anticipated to be mostly depreciated and any loss would be offset by Gain on Disposition of Utility and Other Property (4355).

Table 6-20: 2025 Bridge Year vs 2026 Test Year

USoA #	USoA Description	2025 Bridge Year	2026 Test Year	Variance 2025 Bridge Year vs 2026 Test Year
4084	Service Transaction Requests (STR) Revenues	-	-	-
4086	SSS Administration Revenue	($190,549)	($193,629)	$3,080
4210	Rent from Electric Property	($402,120)	($371,104)	($31,016)
4225	Late Payment Charges	($413,700)	($416,050)	$2,350
4235	Miscellaneous Service Revenues	($409,142)	($411,466)	$2,324
4245	Government and Other Assistance Directly Credited to Income	($1,498,681)	($1,566,840)	$68,159
4305	Regulatory Debits	$371,269	-	$371,269
4325	Revenues from Merchandise	($240,000)	($240,000)	-
4330	Costs and Expenses of Merchandising	$230,000	$230,000	-
4355	Gain on Disposition of Utility and Other Property	-	($57,911)	$57,911
4360	Loss on Disposition of Utility and Other Property	-	-	-
4375	Revenues from Non Rate-Regulated Utility Operations	-	-	-
4380	Expenses of Non Rate-Regulated Utility Operations	-	-	-
4390	Miscellaneous Non-Operating Income	($25,000)	($25,142)	$142
4405	Interest and Dividend Income	($423,559)	($425,965)	$2,406
Total		**($3,001,481)**	**($3,478,107)**	**$476,625**

No Locates revenue requirement has been forecast in Regulatory Debits Account 4305 for the 2026 Test Year. The accounting treatment for Locates as a result of the GOCA Accounting Guidance is captured for the years 2024 and 2025. The full cost of Locates has been reflected in OM&A costs for the 2026 Test Year.

Attachment 6 – 1

Revenue Requirement Workform

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Version 1.10

Model Unlocked

Utility Name	Oshawa PUC Networks Inc.
Service Territory	*Oshawa*
Assigned EB Number	EB-2025-0014
Name and Title	Lori Filion, Manager Regulatory Affairs & Strategy
Phone Number	1-905-723-4626
Email Address	lfilion@oshawapower.ca
Test Year	2026
Bridge Year	2025
Last Rebasing Year	2021

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

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

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Notes:

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Data Input Sheet

		Initial Application	(1)	Adjustments	Interrogatory Responses	(5)	Adjustments	Settlement Agreement	(5)	Adjustments	Per Board Decision	
1	**Rate Base**											
	Gross Fixed Assets (average)	$301,724,308										
	Accumulated Depreciation (average)	($129,563,334)	(4)									
	Allowance for Working Capital:											
	Controllable Expenses	$22,436,552										
	Cost of Power	$134,866,266										
	Working Capital Rate (%)	7.50%	(8)			(8)			(8)			(8)
2	**Utility Income**											
	Operating Revenues:											
	Distribution Revenue at Current Rates	$32,178,736										
	Distribution Revenue at Proposed Rates	$38,848,892										
	Other Revenue:											
	Miscellaneous Service Revenues	$411,466										
	Late Payment Charges	$416,050										
	Other Operating Revenues	$2,131,573										
	Other Income and Deductions	$519,018										
	Total Revenue Offsets	$3,478,107	(6)									
	Operating Expenses:											
	OM+A Expenses	$22,271,990										
	Depreciation/Amortization	$9,467,348										
	Property taxes	$164,562										
	Other expenses											
3	**Taxes/PILs**											
	Taxable Income:											
	Adjustments required to arrive at taxable income	($6,622,513)	(2)									
	Utility Income Taxes and Rates:											
	Income taxes (not grossed up)	$ -										
	Income taxes (grossed up)	$ -										
	Federal tax (%)	15.00%										
	Provincial tax (%)	11.50%										
	Income Tax Credits											
4	**Capitalization/Cost of Capital**											
	Capital Structure:											
	Long-term debt Capitalization Ratio (%)	56.0%										
	Short-term debt Capitalization Ratio (%)	4.0%	(7)			(7)			(7)			(7)
	Common Equity Capitalization Ratio (%)	40.0%										
	Prefered Shares Capitalization Ratio (%)	0.0%										
		100.0%										
	Cost of Capital											
	Long-term debt Cost Rate (%)	3.41%										
	Short-term debt Cost Rate (%)	3.91%										
	Common Equity Cost Rate (%)	9.00%										
	Prefered Shares Cost Rate (%)											

Notes:

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

(1) 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

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

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

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

(5) 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).

(6) Input total revenue offsets for deriving the base revenue requirement from the service revenue requirement. Enter a positive amount.

(7) **4.0%** unless an Applicant has proposed or been approved another amount.

(8) 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. 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.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Rate Base and Working Capital

Rate Base

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(2)	$301,724,308		$ -		$ -		$ -
2	Accumulated Depreciation (average)	(2)	($129,563,334)		$ -		$ -		$ -
3	Net Fixed Assets (average)	(2)	$172,160,974	$ -	$ -	$ -	$ -	$ -	$ -
4	Allowance for Working Capital	(1)	$11,797,711	($11,797,711)	$ -	$ -	$ -	$ -	$ -
5	**Total Rate Base**		$183,958,685	($11,797,711)	$ -	$ -	$ -	$ -	$ -

(1) Allowance for Working Capital - Derivation

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
6	Controllable Expenses		$22,436,552		$ -		$ -		$ -
7	Cost of Power		$134,866,266		$ -		$ -		$ -
8	Working Capital Base		$157,302,818	$ -	$ -	$ -	$ -	$ -	$ -
9	Working Capital Rate %	(1)	7.50%	-7.50%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Working Capital Allowance		$11,797,711	($11,797,711)	$ -	$ -	$ -	$ -	$ -

Notes

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

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Utility Income

Line No.	Particulars		Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
	Operating Revenues:								
1	Distribution Revenue (at Proposed Rates)		$38,848,892	($38,848,892)	$ -	$ -	$ -	$ -	$ -
2	Other Revenue	(1)	$3,478,107	($3,478,107)	$ -	$ -	$ -	$ -	$ -
3	Total Operating Revenues		$42,326,999	($42,326,999)	$ -	$ -	$ -	$ -	$ -
	Operating Expenses:								
4	OM+A Expenses		$22,271,990		$ -		$ -		$ -
5	Depreciation/Amortization		$9,467,348		$ -		$ -		$ -
6	Property taxes		$164,562		$ -		$ -		$ -
7	Capital taxes		$ -	$ -	$ -	$ -	$ -	$ -	$ -
8	Other expense		$ -		$ -		$ -		$ -
9	Subtotal (lines 4 to 8)		$31,903,900	$ -	$ -	$ -	$ -	$ -	$ -
10	Deemed Interest Expense		$3,800,586	($3,800,586)	$ -	$ -	$ -	$ -	$ -
11	Total Expenses (lines 9 to 10)		$35,704,486	($3,800,586)	$ -	$ -	$ -	$ -	$ -
12	**Utility income before income taxes**		$6,622,513	($38,526,413)	$ -	$ -	$ -	$ -	$ -
13	Income taxes (grossed-up)		$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	**Utility net income**		$6,622,513	($38,526,413)	$ -	$ -	$ -	$ -	$ -

Other Revenues / Revenue Offsets

	Particulars	Initial Application	Adjustments	Interrogatory Responses	Adjustments	Settlement Agreement	Adjustments	Per Board Decision
(1)	Specific Service Charges	$411,466		$ -		$ -		$ -
	Late Payment Charges	$416,050		$ -		$ -		$ -
	Other Distribution Revenue	$2,131,573		$ -		$ -		$ -
	Other Income and Deductions	$519,018		$ -		$ -		$ -
	Total Revenue Offsets	$3,478,107	$ -	$ -	$ -	$ -	$ -	$ -

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Taxes/PILs

Line No.	Particulars	Application	Interrogatory Responses	Settlement Agreement	Per Board Decision
	Determination of Taxable Income				
1	Utility net income before taxes	$6,622,513	$ -	$ -	$ -
2	Adjustments required to arrive at taxable utility income	($6,622,513)	$ -	$ -	$ -
3	Taxable income	($0)	$ -	$ -	$ -
	Calculation of Utility income Taxes				
4	Income taxes	$ -	$ -	$ -	$ -
6	Total taxes	$ -	$ -	$ -	$ -
7	Gross-up of Income Taxes	$ -	$ -	$ -	$ -
8	Grossed-up Income Taxes	$ -	$ -	$ -	$ -
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	$ -	$ -	$ -	$ -
10	Other tax Credits	$ -	$ -	$ -	$ -
	Tax Rates				
11	Federal tax (%)	15.00%	15.00%	15.00%	15.00%
12	Provincial tax (%)	11.50%	11.50%	11.50%	11.50%
13	Total tax rate (%)	26.50%	26.50%	26.50%	26.50%

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio (%)	Capitalization Ratio ($)	Cost Rate (%)	Return ($)
	Initial Application				
	Debt				
1	Long-term Debt	56.00%	$103,016,864	3.41%	$3,512,875
2	Short-term Debt	4.00%	$7,358,347	3.91%	$287,711
3	**Total Debt**	60.00%	$110,375,211	3.44%	$3,800,586
	Equity				
4	Common Equity	40.00%	$73,583,474	9.00%	$6,622,513
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	40.00%	$73,583,474	9.00%	$6,622,513
7	**Total**	100.00%	$183,958,685	5.67%	$10,423,099
	Interrogatory Responses				
	Debt				
1	Long-term Debt	0.00%	$ -	0.00%	$ -
2	Short-term Debt	0.00%	$ -	0.00%	$ -
3	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
4	Common Equity	0.00%	$ -	0.00%	$ -
5	Preferred Shares	0.00%	$ -	0.00%	$ -
6	**Total Equity**	0.00%	$ -	0.00%	$ -
7	**Total**	0.00%	$ -	0.00%	$ -
	Settlement Agreement				
	Debt				
8	Long-term Debt	0.00%	$ -	3.41%	$ -
9	Short-term Debt	0.00%	$ -	3.91%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	9.00%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$ -	0.00%	$ -
	Per Board Decision				
	Debt				
8	Long-term Debt	0.00%	$ -	3.41%	$ -
9	Short-term Debt	0.00%	$ -	3.91%	$ -
10	**Total Debt**	0.00%	$ -	0.00%	$ -
	Equity				
11	Common Equity	0.00%	$ -	9.00%	$ -
12	Preferred Shares	0.00%	$ -	0.00%	$ -
13	**Total Equity**	0.00%	$ -	0.00%	$ -
14	**Total**	0.00%	$ -	0.00%	$ -

Notes

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Revenue Deficiency/Sufficiency

Line No.	Particulars	Initial Application: At Current Approved Rates	Initial Application: At Proposed Rates	Interrogatory Responses: At Current Approved Rates	Interrogatory Responses: At Proposed Rates	Settlement Agreement: At Current Approved Rates	Settlement Agreement: At Proposed Rates	Per Board Decision: At Current Approved Rates	Per Board Decision: At Proposed Rates
1	Revenue Deficiency from Below		$6,670,156		($34,566,445)		$ -		$ -
2	Distribution Revenue	$32,178,736	$32,178,736	$32,178,736	$73,415,337	$ -	$ -	$ -	$ -
3	Other Operating Revenue Offsets - net	$3,478,107	$3,478,107	$ -	$ -	$ -	$ -	$ -	$ -
4	**Total Revenue**	$35,656,843	$42,326,999	$32,178,736	$38,848,892	$ -	$ -	$ -	$ -
5	Operating Expenses	$31,903,900	$31,903,900	$ -	$ -	$ -	$ -	$ -	$ -
6	Deemed Interest Expense	$3,800,586	$3,800,586	$ -	$ -	$ -	$ -	$ -	$ -
8	**Total Cost and Expenses**	$35,704,486	$35,704,486	$ -	$ -	$ -	$ -	$ -	$ -
9	**Utility Income Before Income Taxes**	($47,643)	$6,622,513	$32,178,736	$38,848,892	$ -	$ -	$ -	$ -
10	Tax Adjustments to Accounting Income per 2013 PILs model	($6,622,513)	($6,622,513)	($6,622,513)	($6,622,513)	$ -	$ -	$ -	$ -
11	**Taxable Income**	($6,670,156)	($0)	$25,556,223	$32,226,379	$ -	$ -	$ -	$ -
12	Income Tax Rate	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%	26.50%
13	**Income Tax on Taxable Income**	$ -	$ -	$6,772,399	$8,539,991	$ -	$ -	$ -	$ -
14	**Income Tax Credits**	$ -	$ -	$ -	$ -	$ -	$ -		
15	**Utility Net Income**	($47,643)	$6,622,513	$25,406,337	$ -	$ -	$ -	$ -	$ -
16	**Utility Rate Base**	$183,958,685	$183,958,685	$ -	$ -	$ -	$ -	$ -	$ -
17	Deemed Equity Portion of Rate Base	$73,583,474	$73,583,474	$ -	$ -	$ -	$ -	$ -	$ -
18	Income/(Equity Portion of Rate Base)	-0.06%	9.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Target Return - Equity on Rate Base	9.00%	9.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Deficiency/Sufficiency in Return on Equity	-9.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Indicated Rate of Return	2.04%	5.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Requested Rate of Return on Rate Base	5.67%	5.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Deficiency/Sufficiency in Rate of Return	-3.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	Target Return on Equity	$6,622,513	$6,622,513	$ -	$ -	$ -	$ -	$ -	$ -
25	Revenue Deficiency/(Sufficiency)	$6,670,156	$ -	($25,406,337)	$ -	$ -	$ -	$ -	$ -
26	**Gross Revenue Deficiency/(Sufficiency)**	$6,670,156 (1)		($34,566,445) (1)		$ - (1)		$ - (1)	

Notes:

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

Gross Revenue Deficiency/(Sufficiency) formula adjusted for negative taxable income

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Revenue Requirement

Line No.	Particulars	Application		Interrogatory Responses		Settlement Agreement		Per Board Decision	
1	OM&A Expenses	$22,271,990		$ -		$ -		$ -	
2	Amortization/Depreciation	$9,467,348		$ -		$ -		$ -	
3	Property Taxes	$164,562		$ -		$ -		$ -	
5	Income Taxes (Grossed up)	$ -		$ -		$ -		$ -	
6	Other Expenses	$ -		$ -		$ -		$ -	
7	Return								
	Deemed Interest Expense	$3,800,586		$ -		$ -		$ -	
	Return on Deemed Equity	$6,622,513		$ -		$ -		$ -	
8	**Service Revenue Requirement (before Revenues)**	$42,326,999		$ -		$ -		$ -	
9	Revenue Offsets	$3,478,107		$ -		$ -		$ -	
10	**Base Revenue Requirement (excluding Tranformer Owership Allowance credit adjustment)**	$38,848,892		$ -		$ -		$ -	
11	Distribution revenue	$38,848,892		$ -		$ -		$ -	
12	Other revenue	$3,478,107		$ -		$ -		$ -	
13	**Total revenue**	$42,326,999		$ -		$ -		$ -	
14	**Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)**	$ -	(1)	$ -	(1)	$ -	(1)	$ -	(1)

Summary Table of Revenue Requirement and Revenue Deficiency/Sufficiency

	Application	Interrogatory Responses	Δ% (2)	Settlement Agreement	Δ% (2)	Per Board Decision	Δ% (2)
Service Revenue Requirement	$42,326,999	$ -	(100.00%)	$ -	(100.00%)	$ -	(100.00%)
Grossed-Up Revenue Deficiency/(Sufficiency)	$6,670,156	($34,566,445)	(618.23%)	$ -	(100.00%)	$ -	(100.00%)
Base Revenue Requirement (to be recovered from Distribution Rates)	$38,848,892	$ -	(100.00%)	$ -	(100.00%)	$ -	(100.00%)
Revenue Deficiency/(Sufficiency) Associated with Base Revenue Requirement	$6,670,156	$ -	(100.00%)	$ -	(100.00%)	$ -	(100.00%)

Notes

(1) Line 11 - Line 8

(2) Percentage Change Relative to Initial Application

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Load Forecast Summary

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

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

Appendix 2-IB is still required to be filled out, as it also provides a year-over-year variance analysis of demand growth 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** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual	**Customer / Connections** Test Year average or mid-year	**kWh** Annual	**kW/kVA** [(1)] Annual
1	Residential	59,515	551,504,306										
2	GS < 50	4,523	128,276,139										
3	GS 50-999	518	326,060,504	826,398									
4	GS 1,000-4,999	18	74,664,595	178,388									
5	Large Use	1	34,931,300	77,832									
6	Street Light	14,845	4,665,082	13,198									
7	Sentinel Lights	19	26,718	79									
8	USL	263	2,866,800										
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
	Total	**79,703**	**1,122,995,443**	**1,095,895**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes:

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Cost Allocation and Rate Design

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

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

A) Allocated Costs

	Name of Customer Class [3] From Sheet 10. Load Forecast	Costs Allocated from Previous Study [1]	%	Allocated Class Revenue Requirement [1] (7A)	%
1	Residential	$18,746,577	67.07%	$29,235,411	69.07%
2	GS < 50	$3,049,686	10.91%	$4,333,891	10.24%
3	GS 50-999	$4,783,605	17.11%	$6,560,392	15.50%
4	GS 1,000-4,999	$549,408	1.97%	$908,903	2.15%
5	Large Use	$263,648	0.94%	$358,651	0.85%
6	Street Light	$480,662	1.72%	$852,126	2.01%
7	Sentinel Lights	$1,952	0.01%	$3,582	0.01%
8	USL	$75,973	0.27%	$74,044	0.17%
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					0.00%
	Total	$27,951,512	100.00%	**$42,326,999**	100.00%

Service Revenue Requirement (from Sheet 9) **$ 42,326,999.11**

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

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

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

B) Calculated Class Revenues

	Name of Customer Class	Load Forecast (LF) X current approved rates	LF X current approved rates X (1+d)	LF X Proposed Rates	Miscellaneous Revenues
		(7B)	(7C)	(7D)	(7E)
1	Residential	$21,275,512	$25,685,597	$25,714,951	$2,591,030
2	GS < 50	$3,829,107	$4,622,822	$4,622,822	$336,233
3	GS 50-999	$5,292,591	$6,389,664	$6,389,664	$389,600
4	GS 1,000-4,999	$760,134	$917,698	$917,698	$48,759
5	Large Use	$293,436	$354,261	$354,261	$21,674
6	Street Light	$635,129	$766,781	$766,781	$81,205
7	Sentinel Lights	$2,325	$2,806	$3,110	$359
8	USL	$90,503	$109,263	$79,606	$9,246
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
	Total	$ 32,178,736	$ 38,848,892	$ 38,848,892	$ 3,478,107

(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.

(6) 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.

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

C) Rebalancing Revenue-to-Cost Ratios

	Name of Customer Class	Previously Approved Ratios Most Recent Year:	Status Quo Ratios (7C + 7E) / (7A)	Proposed Ratios (7D + 7E) / (7A)	Policy Range
		%	%	%	%
1	Residential	97.65%	96.72%	96.82%	85 - 115
2	GS < 50	110.94%	114.43%	114.43%	80 - 120
3	GS 50-999	99.05%	103.34%	103.34%	80 - 120
4	GS 1,000-4,999	108.31%	106.33%	106.33%	80 - 120
5	Large Use	104.82%	104.82%	104.82%	85 - 115
6	Street Light	120.00%	99.51%	99.51%	80 - 120
7	Sentinel Lights	120.00%	88.35%	96.82%	80 - 120
8	USL	97.65%	160.05%	120.00%	80 - 120
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 [11]

	Name of Customer Class	Proposed Revenue-to-Cost Ratio			Policy Range
		Test Year	Price Cap IR Period		
		2026	2027	2028	
1	Residential	96.82%	96.82%	96.82%	85 - 115
2	GS < 50	114.43%	114.43%	114.43%	80 - 120
3	GS 50-999	103.34%	103.34%	103.34%	80 - 120
4	GS 1,000-4,999	106.33%	106.33%	106.33%	80 - 120
5	Large Use	104.82%	104.82%	104.82%	85 - 115
6	Street Light	99.51%	99.51%	99.51%	80 - 120
7	Sentinel Lights	96.82%	96.82%	96.82%	80 - 120
8	USL	120.00%	120.00%	120.00%	80 - 120
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 2026 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 2027 and 2028 Price Cap IR models, as necessary. For 2027 and 2028, enter the planned revenue-to-cost ratios that will be "Change" or "No Change" in 2027 (in the current Revenue/Cost Ratio Adjustment Workform, Worksheet C1.1 'Decision - Cost Revenue Adjustment, column d), and enter TBD for class(es) that will be entered as 'Rebalance'.

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 Filers

Rate Design and Revenue Reconciliation

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

Stage in Process: *Initial Application*

	Customer and Load Forecast					Class Allocated Revenues		
						From Sheet 11. Cost Allocation and Sheet 12. Residential Rate Design		
	Customer Class From sheet 10. Load Forecast	Volumetric Charge Determinant	Customers / Connections	kWh	kW or kVA	Total Class Revenue Requirement	Monthly Service Charge	Volumetric
1	Residential	kWh	59,515	551,504,306	-	$ 25,714,951	$ 25,714,951	$ -
2	GS < 50	kWh	4,523	128,276,139	-	$ 4,622,822	$ 1,351,780	$ 3,271,042
3	GS 50-999	kW	518	326,060,504	826,398	$ 6,389,664	$ 444,207	$ 5,945,457
4	GS 1,000-4,999	kW	18	74,664,595	178,388	$ 917,698	$ 310,133	$ 607,565
5	Large Use	kW	1	34,931,300	77,832	$ 354,261	$ 129,647	$ 224,614
6	Street Light	kW	14,845	4,665,082	13,198	$ 766,781	$ 359,839	$ 406,942
7	Sentinel Lights	kW	19	26,718	79	$ 3,110	$ 1,555	$ 1,555
8	USL	kWh	263	2,866,800	-	$ 79,606	$ 16,817	$ 62,789
9			-	-	-			
10			-	-	-			
11			-	-	-			
12			-	-	-			
13			-	-	-			
14			-	-	-			
15			-	-	-			
16			-	-	-			
17			-	-	-			
18			-	-	-			
19			-	-	-			
20			-	-	-			

	Fixed / Variable Splits [2,3]			Distribution Rates					Revenue Reconciliation		
	Percentage to be entered as a fraction between 0 and 1			Monthly Service Charge [2]		Volumetric Rate [3]					
	Fixed	Variable	Transformer Ownership Allowance [1] ($)	Rate	No. of decimals	Rate		No. of decimals	MSC Revenues	Volumetric revenues	Revenues less Transformer Ownership Allowance
1	100.00%	0.00%		$36.01	2	$0.0000	/kWh	4	$25,717,730.34	$0.00	$25,717,730.34
2	29.24%	70.76%		$24.90		$0.0255	/kWh		$1,351,535.72	$3,271,041.54	$4,622,577.26
3	6.95%	93.05%	$52,880	$71.42		$7.2584	/kW		$444,229.05	$5,998,328.27	$6,389,677.33
4	33.79%	66.21%	$107,033	$1,419.85		$4.0059	/kW		$310,132.98	$714,603.14	$917,703.11
5	36.60%	63.40%	$46,699	$10,803.95		$3.4859	/kW		$129,647.40	$271,313.26	$354,261.66
6	46.93%	53.07%		$2.02		$30.8336	/kW		$359,838.90	$406,942.27	$766,781.17
7	50.00%	50.00%		$6.82		$19.6528	/kW		$1,554.96	$1,554.67	$3,109.63
8	21.13%	78.87%		$5.33		$0.0219	/kWh		$16,816.52	$62,782.92	$79,599.44
9									$0.00	$0.00	$0.00
10									$0.00	$0.00	$0.00
11									$0.00	$0.00	$0.00
12									$0.00	$0.00	$0.00
13									$0.00	$0.00	$0.00
14									$0.00	$0.00	$0.00
15									$0.00	$0.00	$0.00
16									$0.00	$0.00	$0.00
17									$0.00	$0.00	$0.00
18									$0.00	$0.00	$0.00
19									$0.00	$0.00	$0.00
20									$0.00	$0.00	$0.00

Total Transformer Ownership Allowance $206,612

Total Distribution Revenues	$38,851,439.94
Base Revenue Requirement	$38,848,892.25
Difference	$2,547.69
% Difference	0.007%

Rates recover revenue requirement

Notes:

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

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

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

Ontario Energy Board

Revenue Requirement Workform (RRWF) for 2026 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.
(1) Short reference to evidence material (interrogatory response, undertaking, exhibit number, Board Decision, Code, Guideline, Report of the Board, etc.)
(2) Short description of change, issue, etc.

Summary of Proposed Changes

			Cost of Capital		Rate Base and Capital Expenditures			Operating Expenses			Revenue Requirement			
	Reference (1)	Item / Description (2)	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance ($)	Amortization / Depreciation	Taxes/PILs	OM&A	Service Revenue Requirement	Other Revenues	Base Revenue Requirement	Grossed up Revenue Deficiency / Sufficiency
		Original Application	$10,423,099	5.67%	$183,958,685	$157,302,818	$11,797,711	$9,467,348	$ -	$22,271,990	$42,326,999	$3,478,107	$38,848,892	$6,670,156
1														

Attachment 6 – 2

2023 Corporate Tax Return

Canada Revenue Agency | Agence du revenu du Canada

Information Return for Corporations Filing Electronically

- **Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.**
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the CRA on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the federal Income Tax Act, you have to keep all records used to prepare your T2 Corporation Income Tax Return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your T2 Corporation Income Tax Return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name	Business number
Oshawa PUC Networks Inc.	89172 5210 RC0001

Tax year start (Year Month Day): 2023-01-01 Tax year-end (Year Month Day): 2023-12-31 Is this an amended return? ☐ Yes ☒ No

Email address: ______________________

Notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. I understand that by providing an email address, I am **registering** the corporation to receive email notifications from the CRA. The CRA will notify the corporation at this email address when correspondence is available in My Business Account and requiring immediate attention. Correspondence will be considered as received on the date that the email is sent. For more information, see **canada.ca/cra-business-email-notifications**.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted in Part 1:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	-1,009,080
Part I tax payable (line 700)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	
Total tax payable (line 770)	

Part 3 – Certification and authorization

I, Beckstead (Last name) Susanna (First name) Authorized Signing Officer (Position, office, or rank),

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation Income Tax Return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the T2 Corporation Income Tax Return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

Date (yyyy/mm/dd)	Signature of an authorized signing officer of the corporation	Telephone number
2024-06-26		(905) 743-5209

The CRA will accept an electronic signature if it is applied in accordance with the guidance specified by the CRA.

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

Name of person or firm	Electronic filer number
KPMG LLP	

Privacy notice

Personal information is collected and used 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 disclosed to other federal, provincial, territorial, aboriginal 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 and CRA PPU 211 on Information about Programs and Information Holdings at **canada.ca/cra-information-about-programs**.

Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

EXEMPT FROM TAX

055 **Do not use this area**

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

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

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

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

Identification

Business number (BN) 001: 89172 5210 RC0001

Corporation's name
002: Oshawa PUC Networks Inc.

Address of head office
Has this address changed since the last time the CRA was notified? 010: Yes [ ] No [X]
If **yes**, complete lines 011 to 018.
011: 100 Simcoe Street South
012:
015 City: Oshawa
016 Province, territory, or state: ON
017 Country (other than Canada):
018 Postal or ZIP code: L1H 7M7

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

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

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

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

To which tax year does this return apply?
Tax year start 060: Year Month Day 2023-01-01
Tax year-end 061: Year Month Day 2023-12-31

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

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

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

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

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

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

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

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

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

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

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

Do not use this area
095 096 898

Attachments

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

		Yes	Schedule
Is the corporation related to any other corporations?	150	X	9
Is the corporation an associated CCPC?	160	X	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161		49
Does the corporation have any non-resident shareholders who own voting shares?	151		19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
If you answered **yes** to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	X	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	X	15
Is the corporation claiming a loss or deduction from a tax shelter?	166		T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167		T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	168		22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169		25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	170		29
Did the corporation have a total amount over CAN$1 million of reportable transactions with non-arm's length non-residents?	171		T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172		———
Does the corporation earn income from one or more Internet web pages or websites?	180		88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202	X	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203	X	3
Is the corporation claiming any type of losses?	204	X	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206		6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	207		7
Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
Does the corporation have any resource-related deductions?	212		12
Is the corporation claiming deductible reserves?	213		13
Is the corporation claiming a patronage dividend deduction?	216		16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	217		17
Is the corporation an investment corporation or a mutual fund corporation?	218		18
Is the corporation carrying on business in Canada as a non-resident corporation?	220		20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221		21
Does the corporation have any Canadian manufacturing and processing profits or zero-emission technology manufacturing profits?	227		27
Is the corporation claiming an investment tax credit?	231	X	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232	X	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over $10,000,000?	233	X	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over $10,000,000?	234	X	———
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
Is the corporation claiming a Part I tax credit?	242		42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
Is the corporation claiming a Canadian film or video production tax credit?	253		T1131
Is the corporation claiming a film or video production services tax credit?	254		T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272		58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255		92

Attachments (continued)

		Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271		T1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN$100,000?	259		T1135
Did the corporation transfer or loan property to a non-resident trust?	260		T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261		T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262		T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263		T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264		T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265	X	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266		T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267		T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	268	X	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	269		54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273		63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274		59
Is the corporation claiming an air quality improvement tax credit?	275		65
Is the corporation subject to the additional 1.5% tax on banks and life insurers?	276		68
Is the corporation a covered entity that redeemed, acquired or cancelled equity of the corporation in the tax year?	277		56

Additional information

		Yes	No
Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	X	
Is the corporation inactive?	280		X
Did the corporation meet the definition of substantive CCPC under subsection 248(1) at any time during the tax year?	290		X

What is the corporation's main revenue-generating business activity? 418990 All other merchant wholesalers

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	Utility Distribution	285	100.000 %
286		287	%
288		289	%

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

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

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

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI	300		-1,009,080	A
Deduct:				
Charitable donations from Schedule 2	311			
Cultural gifts from Schedule 2	313			
Ecological gifts from Schedule 2	314			
Gifts of medicine made before March 22, 2017, from Schedule 2	315			
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320			
Part VI.1 tax deduction*	325			
Non-capital losses of previous tax years from Schedule 4	331			
Net capital losses of previous tax years from Schedule 4	332			
Restricted farm losses of previous tax years from Schedule 4	333			
Farm losses of previous tax years from Schedule 4	334			
Limited partnership losses of previous tax years from Schedule 4	335			
Taxable capital gains or taxable dividends allocated from a central credit union	340			
Prospector's and grubstaker's shares	350			
Employer deduction for non-qualified securities	352			
Subtotal			▶	B
Subtotal (amount A **minus** amount B) (if negative, enter "0")				C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355			D
Taxable income (amount C **plus** amount D)	360			
Taxable income for the year from a personal services business				Z.1

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

Small business deduction

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

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

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

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

Notes:

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

Business limit reduction

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

Amount C ______ x **415** *** 383,085 D / 11,250 = ... ______ E1

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

Amount C ______ x **415** *** 383,085 D / 90,000 = ... ______ E2

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

Passive income business limit reduction

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

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

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

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

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

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

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

Enter amount from line 430 at amount K on page 8.

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

*** **Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** $10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** $10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations for each tax year that ended in the preceding calendar year. Each corporation with such income has to file a Schedule 7. For a corporation's first tax year that starts after 2018, this amount is reported at line 744 of the corresponding Schedule 7. Otherwise, this amount is the total of all amounts reported at line 745 of the corresponding Schedule 7 of the corporation for each tax year that ended in the preceding calendar year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

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

Total 510 ________ Total 515 ________

Notes:

3. This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income (other than specified farming or fishing income of the corporation for the year) from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if
   (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and
   (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
   (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
   (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
4. The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column M in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year or substantive CCPCs at any time in the tax year

Taxable income from line 360 on page 3 . . . . ________ A

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . . . ________ B
Amount 13K from Part 13 of Schedule 27 . . . . . . ________ C
Personal services business income . . . . . . 432 ________ D
Amount from line 400, 405, 410, or 428 on page 4, whichever is the least* . . . . . . ________ E
Aggregate investment income from line 440 on page 6** . . . . . . ________ F

Subtotal (**add** amounts B to F) ________ ► ________ G

Amount A **minus** amount G (if negative, enter "0") . . . . . . ________ H

General tax reduction for Canadian-controlled private corporations – Amount H **multiplied** by 13 % . . . . . . ________ I
Enter amount I on line 638 on page 8.

* This is not applicable to substantive CCPCs.

** Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, a substantive CCPC, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from line 360 on page 3 . . . . ________ J

Lesser of amounts 9B and 9H from Part 9 of Schedule 27 . . . . . . ________ K
Amount 13K from Part 13 of Schedule 27 . . . . . . ________ L
Personal services business income . . . . . . 434 ________ M

Subtotal (**add** amounts K to M) ________ ► ________ N

Amount J **minus** amount N (if negative, enter "0") . . . . . . ________ O

General tax reduction – Amount O **multiplied** by 13 % . . . . . . ________ P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year or substantive CCPCs at any time in the tax year

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

* This is not applicable to substantive CCPCs. . . . .

Refundable dividend tax on hand

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

Dividend refund

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)	421,667	AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD **minus** amount EE (if negative, enter "0")		GG
Amount BB **minus** amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund – Amount CC **plus** amount FF **plus** amount II		JJ

Enter amount JJ on line 784 on page 9.

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) **multiplied** by 38 % . . . . . 550 ______ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business . . . . . 555 ______ x 5 % = 560 ______ B

Additional tax on banks and life insurers from Schedule 68 . . . . . 565 ______ C

Recapture of investment tax credit from Schedule 31 . . . . . 602 ______ D

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) or substantive CCPC's investment income (if it was a CCPC throughout the tax year or a substantive CCPC at any time in the tax year)

Aggregate investment income from line 440 on page 6 . . . . . ______ E

Taxable income from line 360 on page 3 . . . . . ______ F

Deduct:

Amount from line 400, 405, 410, or 428 on page 4, whichever is the least* . . . . . ______ G

Net amount (amount F **minus** amount G) ______ ▶ ______ H

Refundable tax on CCPC's or substantive CCPC's investment income – 10 2 / 3 % of whichever is less: amount E or amount H . . . . . 604 ______ I

Subtotal (**add** amounts A, B, C, D, and I) ______ J

Deduct:

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

Federal tax abatement . . . . . 608 ______

Manufacturing and processing profits deduction and zero-emission technology manufacturing deduction from Schedule 27 . . . . . 616 ______

Investment corporation deduction . . . . . 620 ______

Taxed capital gains 624 ______

Federal foreign non-business income tax credit from Schedule 21 . . . . . 632 ______

Federal foreign business income tax credit from Schedule 21 . . . . . 636 ______

General tax reduction for CCPCs from amount I on page 5 . . . . . 638 ______

General tax reduction from amount P on page 5 . . . . . 639 ______

Federal logging tax credit from Schedule 21 . . . . . 640 ______

Eligible Canadian bank deduction under section 125.21 . . . . . 641 ______

Federal qualifying environmental trust tax credit . . . . . 648 ______

Investment tax credit from Schedule 31 . . . . . 652 ______

Subtotal ______ ▶ ______ L

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

Enter amount M on line 700 on page 9.

* This is not applicable to substantive CCPCs.

Privacy notice

Personal information (including the SIN) is collected to administer or enforce the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in paying interest or penalties, or in other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Information about Programs and Information Holdings at **canada.ca/cra-information-about-programs**.

Summary of tax and credits

Federal tax

Part I tax payable from amount M on page 8		700	
Part II.2 tax payable from Schedule 56		705	
Part III.1 tax payable from Schedule 55		710	
Part IV tax payable from Schedule 3		712	
Part IV.1 tax payable from Schedule 43		716	
Part VI tax payable from Schedule 38		720	
Part VI.1 tax payable from Schedule 43		724	
Part VI.2 tax payable from Schedule 67		725	
Part XIII.1 tax payable from Schedule 92		727	
Part XIV tax payable from Schedule 20		728	
		Total federal tax	

Add provincial or territorial tax:

Provincial or territorial jurisdiction 750 ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta) 760

Deduct other credits: Total tax payable 770 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	264,681		
Total credits	890	264,681	264,681	B

Balance (amount A **minus** amount B) -264,681

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

Generally, the CRA does not charge or refund a difference of $2 or less.

Refund code 894 2 Refund 264,681 Balance owing

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

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

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

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

RepID 925

Certification

I, 950 Beckstead (Last name) 951 Susanna (First name) 954 Authorized Signing Officer (Position, office, or rank),

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

955 2024-06-26 Date (yyyy/mm/dd) — Signature of the authorized signing officer of the corporation — 956 (905) 743-5209 Telephone number

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

958 Name of other authorized person 959 Telephone number

Language of correspondence – Langue de correspondance

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

Schedule of Instalment Remittances

Name of corporation contact

Telephone number

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	Notice of Reassessment	264,681

Total amount of instalments claimed (carry the result to line 840 of the T2 Return) 264,681 **A**

Total instalments credited to the taxation year per T9 264,681 **B**

Transfer

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

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SCHEDULE 100

Form identifier 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

Balance sheet information

Account	Description	GIFI		Current year	Prior year
	Assets				
	Total current assets	1599	+	36,633,000	34,661,000
	Total tangible capital assets	2008	+	333,476,000	312,927,000
	Total accumulated amortization of tangible capital assets	2009	–	132,039,000	126,567,000
	Total intangible capital assets	2178	+	8,602,000	7,597,000
	Total accumulated amortization of intangible capital assets	2179	–	4,063,000	3,632,000
	Total long-term assets	2589	+	15,139,000	10,951,000
	* Assets held in trust	2590	+		
	Total assets (mandatory field)	2599	=	257,748,000	235,937,000
	Liabilities				
	Total current liabilities	3139	+	29,782,000	27,686,000
	Total long-term liabilities	3450	+	159,702,000	147,858,000
	* Subordinated debt	3460	+		
	* Amounts held in trust	3470	+		
	Total liabilities (mandatory field)	3499	=	189,484,000	175,544,000
	Shareholder equity				
	Total shareholder equity (mandatory field)	3620	+	68,264,000	60,393,000
	Total liabilities and shareholder equity	3640	=	257,748,000	235,937,000
	Retained earnings				
	Retained earnings/deficit – end (mandatory field)	3849	=	42,487,000	37,329,000

* Generic item

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SCHEDULE 125

Form identifier 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

Income statement information

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

Account	Description	GIFI		Current year	Prior year
	Income statement information				
	Total sales of goods and services	8089	+	134,200,000	135,920,000
	Cost of sales	8518	–	135,397,000	140,514,000
	Gross profit/loss	8519	=	-1,197,000	-4,594,000
	Cost of sales	8518	+	135,397,000	140,514,000
	Total operating expenses	9367	+	25,527,000	20,102,000
	Total expenses (mandatory field)	9368	=	160,924,000	160,616,000
	Total revenue (mandatory field)	8299	+	167,017,000	165,841,000
	Total expenses (mandatory field)	9368	–	160,924,000	160,616,000
	Net non-farming income	9369	=	6,093,000	5,225,000
	Farming income statement information				
	Total farm revenue (mandatory field)	9659	+		
	Total farm expenses (mandatory field)	9898	–		
	Net farm income	9899	=		
	Net income/loss before taxes and extraordinary items	9970	=	6,093,000	5,225,000
	Total – other comprehensive income	9998	=	-2,713,000	
	Extraordinary items and income (linked to Schedule 140)				
	Extraordinary item(s)	9975	–		
	Legal settlements	9976	–		
	Unrealized gains/losses	9980	+		
	Unusual items	9985	–		
	Current income taxes	9990	–	-165,000	-96,000
	Future (deferred) income tax provision	9995	–		
	Total – Other comprehensive income	9998	+	-2,713,000	
	Net income/loss after taxes and extraordinary items (mandatory field)	9999	=	3,545,000	5,321,000

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Schedule 141

General Index of Financial Information (GIFI) – Additional Information

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

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

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

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

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

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

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

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

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

Part 2 – Type of involvement

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

Completed an auditor's report . . . . . **300** [X]

Completed a review engagement report . . . . . **301** [ ]

Conducted a compilation engagement . . . . . **302** [ ]

Provided accounting services . . . . . **303** [ ]

Provided bookkeeping services . . . . . **304** [ ]

Other (please specify) **305**

Part 3 – Reservations

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

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

Part 4 – Other information

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

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

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

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

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

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

Part 4 – Other information (continued)

Impairment and fair value changes

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

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

		In net income Increase (decrease)		In OCI Increase (decrease)
Property, plant, and equipment	210		211	
Intangible assets	215		216	
Investment property	220			
Biological assets	225			
Financial instruments	230		231	-2,713,000
Other	235		236	

Financial instruments

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

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

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

Adjustments to opening equity

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

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

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

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

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

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

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

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

Other (please specify) 314

General Index of Financial Information

Notes to the financial statements

Oshawa PUC Networks Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on October 18, 2000. The incorporation was required in accordance with the provincial government's Electricity Act, 1998. The Corporation is a local distribution company ("LDC") that provides electricity distribution services to businesses and residences in the service area of Oshawa, Ontario.

The Corporation is a wholly owned subsidiary of Oshawa Power and Utilities Corporation, which is wholly owned by the Corporation of the City of Oshawa (the "City").

The Corporation has evaluated the events and transactions after the balance sheet date through to April 29, 2024, when the Corporation's Board of Directors approved and authorized the financial statements.

1. Material accounting policies:

The significant accounting policies used in the preparation of these financial statements have been applied consistently to all years presented herein.

(a) Basis of presentation:

The Corporation's financial statements have been prepared by management in accordance with IFRS Accounting Standards as adopted by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, and reflects the significant accounting policies summarized below. Certain prior year figures have been reclassified to conform to the presentation of the current year.

(b) Rate setting and regulation:

The Ontario Energy Board ("OEB") has regulatory oversight of electricity matters in the Province of Ontario. The Ontario Energy Board Act, 1998 sets out the OEB's powers, including the issuance of distribution licenses that must be obtained by any person owning or operating a distribution system under the Ontario Energy Board Act, 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and for ensuring that LDCs fulfil their obligations to connect and service customers.

1. Material accounting policies (continued):

In July 2020, the Corporation filed its Price Cap Incentive rate-setting application with the OEB seeking approval to change rates that it charges for electricity delivery, retail services, allowances, loss factor and specific services charges, for the five-year period commencing on January 1, 2021. This application requested a revenue requirement to recover costs, and provides a rate of return on a deemed capital structure applied to rate base assets. The OEB issued its decision and rate order on February 18, 2021 approving rates and charges effective February 1, 2021.

In subsequent years, the Corporation filed applications for annual rate increases under the Annual Incentive Rate applications. The OEB issued its decision and rate order on December 8, 2022 approving rates and charges effective January 1, 2023.

The OEB has the general authority to include or exclude costs and revenue in the rates of a specific period, resulting in a change in the timing of accounting recognition from that, which would have applied in an unregulated company under IFRS.

The following regulatory practices relating to regulatory balances, and payments in lieu of corporate income taxes, have resulted in accounting treatments that differ from IFRS for enterprises operating in a non-regulated environment.

(i) Regulatory Deferral Accounts:

IFRS 14, Regulatory Deferral Accounts, allows the Corporation to utilize

General Index of Financial Information

Notes to the financial statements

pre-IFRS Canadian Generally Accepted Accounting Principles ("IFRS 14") with respect to the recognition of regulatory balances that address the deferral of specific non-income related cash inflows and outflows.

Regulatory debits primarily represent costs that have been deferred because it is probable that they will be recovered in future rates. Similarly, regulatory credits can arise from differences in amounts billed to customers for electricity services and the costs that the Corporation incurs to purchase and deliver these services. Certain costs and variance account balances are deemed to be regulatory balances and are reflected in the LDC's balance sheet until the manner and timing of disposition is determined by the OEB.

(ii) Payments in lieu of corporate income taxes ("PILs"):

The Corporation provides for PILs using the deferred income taxes method for its regulated activities as permitted by the IASB and the OEB.

1. Material accounting policies (continued):

(c) Inventory:

Inventory, which consists of parts and supplies acquired for internal maintenance or construction, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average basis.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") are measured at cost or deemed cost on transition date, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs on qualifying assets are capitalized as part of the cost of the asset and are based on OEB prescribed rates.

When parts of an item of PP&E have different useful lives, they are separately depreciated as components of PP&E.

Subsequent expenditures are included in an asset's carrying amount or recognized as a separate asset, where appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be reliably measured.

Under IFRS, an asset is derecognized at its carrying value when it is disposed of or when no future economic benefits are expected from its use. The gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the proceeds from sale and the carrying amount of the asset, and is recognized in the statement of comprehensive income.

Depreciation of PP&E is recorded in the statement of comprehensive income on a straight- line basis over the estimated useful lives of the components of PP&E. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting year, with the effect of any changes in estimates being accounted for on a prospective basis.

1. Material accounting policies (continued):

Depreciation rates representing estimated useful lives for the main categories of PP&E are shown in the table below:

Buildings	1.61% - 2.38%
Transmission, distribution system and meters	1.67% - 10%
Equipment and furniture	5% - 20%
Computer hardware	25%
Vehicle fleet	8.33% - 12.50%

Construction in progress comprises property, plant and equipment under construction,

General Index of Financial Information

Notes to the financial statements

property, plant and equipment not yet placed into service and pre-construction activities related to specific projects expected to be constructed. These assets are not depreciated until they are in the location and condition necessary for them to be capable of operating in the manner intended by the Corporation.

In the absence of rate regulation, overhead costs that are not directly attributable to construction activity are not capitalized.

(e) Intangible assets:

Intangible assets are assets that lack physical substance, other than financial assets. Intangible assets, which consist of computer software, deferred indefeasible right-of-use ("IRU") lease, and payments made to Hydro One Networks Inc. ("HONI") for dedicated infrastructure in order to receive connections to transmission facilities, are recorded at cost less accumulated amortization. Amortization of intangible assets is recorded on a straight-line basis over the estimated useful life of the related asset, or over the term of the IRU, and recorded in the statement of comprehensive income.

Amortization rates representing estimated useful lives for intangible assets are shown below:

Computer software 33.33%

IRU lease 20 years

1. Material accounting policies (continued):

(f) Provisions, Contingencies, and Asset retirement obligations:

The Company recognizes provisions if, as a result of a past event, there is a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The need to estimate the cost of decommissioning or asset retirement obligations ("AROs") at the end of the useful lives of certain assets, is reviewed periodically.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential gain or loss. Actual results could differ from these estimates.

The need to estimate the cost of decommissioning or asset retirement obligations ("AROs") at the end of the useful lives of certain assets, is reviewed periodically. A provision is recorded, if required, for the fair value of the future expenditures required to settle legal obligations associated with asset retirements. As at December 31, 2023, the Corporation recognized the obligation to decommission certain buildings located at 100 Simcoe Street South.

(g) Impairment of non-financial assets:

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

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

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An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in net income.

1. Material accounting policies (continued):

(h) Pension and other post-employment benefits:

The Corporation provides pension benefits for its employees through the Ontario Municipal Employees' Retirement System ("OMERS") Fund (the "OMERS Fund"), a multi-employer public sector pension fund. The OMERS Fund is a defined benefit pension plan, which is financed by equal contributions from participating employers and employees and by the investment earnings of the OMERS Fund. Although the plan is a defined benefit plan, sufficient information is not available to the Corporation to account for it as such because it is not possible to attribute the fund assets and liabilities between the various employers who contribute to the fund. Accordingly, contributions payable as a result of employee service are expensed when incurred as part of operating costs.

Employee future benefits, other than pensions provided by the Corporation, include supplemental health, dental and life insurance. These plans provide defined benefits to certain retired employees, their spouses and surviving spouses when the employees are no longer providing active service. Retiree benefits expense is recognized in the year during which the employees render services.

The liability for post-employment non-pension retirement benefits is recorded on an accrual basis. The Corporation actuarially determines the cost of post-employment benefits offered to employees and certain retirees, including their spouses and surviving spouses, using the projected benefit method, prorated on service and based on management's best estimates. Under this method, the projected post-retirement benefits are deemed to be earned on a pro rata basis over the employee's years of service in the attribution period commencing at the date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

The current service cost for a year is equal to the actuarial present value of benefits attributed to employees' services rendered during the year. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

Current service costs are recognized in the statement of comprehensive income under operations, maintenance and administrative expenses.

1. Material accounting policies (continued):

The Corporation applies IFRS 14 to recognize all cumulative actuarial gains or losses in a deferral account as at January 1, 2014. Remeasurements arising from defined benefit plans are recognized immediately in other comprehensive income ("OCI") and reported in accumulated other comprehensive income. Amounts recorded in OCI are not recycled to the statement of comprehensive income. The Corporation, as permitted by the OEB, created a deferral account to capture all actuarial gains and losses going forward. The disposition of this deferral account will occur sometime in the future in accordance with OEB guidelines in effect at that appropriate time.

(i) Customer advance deposits:

Customer advance deposits represent cash collections from customers that are available to offset the payment of energy bills or other services. Customers may be required to post security to obtain electricity or other services. Where the security posted is in the form of cash or cash equivalents, these amounts are recorded in the accounts as securities held in respect of customer deposits. Interest is paid on customer balances at rates established by the Corporation in accordance with OEB guidelines.

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(j) Customer advance payments:

Customer advance payments consist of both the Equal Payment Plan and customer advance payments.

(k) Deferred contributions:

Certain assets may be acquired or constructed with financial assistance in the form of contributions from customers when the estimated revenue is less than the cost of providing service or where special equipment is needed to supply the customers' specific requirements.

1. Material accounting policies (continued):

Capital contributions received in advance from electricity customers and developers to construct or acquire PP&E for the purpose of connecting a customer to a network are recorded as deferred revenue and amortized into other revenue at an equivalent rate to that used for the depreciation of the related PP&E. Capital contributions received from developers to construct or acquire PP&E for the purpose of connecting future customers to the distribution network are considered out of scope of IFRS 15, Revenue from Contracts with Customers.

Deposits received from developers prior to construction are held by the Corporation during the work in progress phase of the project and settled once all assets are in service.

(l) Financial instruments:

(i) Initial and subsequent measurement:

At initial recognition, all financial instruments are measured at fair value plus or minus transaction costs, with the exception of accounts receivable which are initially recognized at the transaction price and financial instruments fair value through profit or loss which are initially recognized at fair value.

Financial assets are subsequently measured at either amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL") based on the cash flow characteristics of the assets and the business models under which they are managed. All of the Corporation's financial assets are held for collection of contractual cash flows that represent payments of principal and interest and, accordingly, are subsequently measured at amortized cost using the effective interest rate method. These include cash, restricted cash, and accounts receivable.

Financial liabilities are either subsequently measured at FVTPL or amortized cost, except for interest rate swaps used in hedge accounting. The Corporation's financial liabilities measured at amortized cost include accounts payable for power - Independent Electricity System Operator ("IESO"), accounts payable and accrued liabilities, long-term debt, and customer advance deposits.

1. Material accounting policies (continued):

(ii) Impairment:

The Corporation recognizes an allowance for expected credit losses ("ECL") for all financial assets not held at FVTPL. The Corporation applies the simplified approach to its accounts receivable which requires expected lifetime losses to be recognized from initial recognition of the receivables and on an ongoing basis. The measurement of ECL for accounts receivable is based on management's judgment. This is determined using a provision matrix based on historical observed default rates, adjusted for forward- looking factors specific to the debtors and the economic environment. For financial assets other than accounts receivable, ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. The Corporation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is derecognized when there is no reasonable expectation of recovering the contractual cash flows.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the asset. All impairment losses are recognized in net income.

(iii) Derivative financial instruments and hedge accounting:

Derivative financial instruments in the form of interest rate swap contracts are used to manage exposure to fluctuations in interest rates on the Corporation's long-term debt, which are designated as cash flow hedges as it is hedging the exposure to variability in cash flows that is attributable to interest rate risk associated with the long-term debt. The Corporation does not enter into derivative agreements for speculative purposes.

1. Material accounting policies (continued):

At the inception of a hedging relationship, the Corporation designates and formally documents the relationship between the hedging instrument and the hedged item, the risk management objective, and its strategy for undertaking the hedge. The Corporation also assesses on an on-going basis whether the hedge continues to be effective, including that the hedge ratio remains appropriate.

The interest rate swaps are measured at their fair value upon initial recognition and on each subsequent reporting date. When the cash flow hedge meets all the qualifying criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income ("OCI"), while any ineffective portion is recognized immediately in net income. The amount accumulated in OCI is reclassified to net income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect net income, and recorded within interest expense.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to net income as a reclassification adjustment.

(m) Leases:

As a lessee, the Corporation leases its office premises with the City, as well as IT office equipment.

Under IFRS 16 Leases ("IFRS 16"), the Corporation recognizes right-of-use assets and lease liabilities for all of these leases. The Corporation has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

1. Material accounting policies (continued):

(n) Revenue recognition:

The Corporation has identified that its material performance obligation is the distribution and provision of electricity to customers. Revenue is

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measured at the fair value of the consideration received or receivable, excluding any discounts, rebates and sales taxes. The Corporation has determined that it acts as a principal in all of its revenue arrangements.
The Corporation is licensed by the OEB to distribute electricity. As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity services, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to the regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers. The Corporation has determined that they are acting as a principal for the distribution of electricity and, therefore, have presented the sale of electrical energy revenue on a gross basis.
Distribution revenue for the Corporation is recognized at approved rates, as electricity is delivered to customers and is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used.
Distribution revenue attributable to the delivery of electricity is based upon OEB-approved distribution tariff rates and includes the amounts billed to customers for electricity, including the cost of electricity supplied, distribution charges and any regulatory charges. Revenue is recognized as electricity is delivered and consumed by customers. Revenue includes an estimate of unbilled revenue. Unbilled revenue represents an estimate of electricity consumed by customers since the date of each customer's last meter reading. Actual electricity usage could differ from those estimates.
Regulated service revenue represents charges to energy customers for services such as late payments, collection fees, account set-up fees, pole attachment charges, and reconnect and disconnect charges. Regulated service revenue is recognized as services are rendered.
Service revenue primarily includes duct rental revenue that is recognized as services are rendered and time expires.
1. Material accounting policies (continued):
Capital contributions received from electricity customers to construct or acquire PP&E for the purpose of connecting a customer to a network, are recorded as a deferred contribution on the balance sheet and amortization is presented as revenue from deferred contributions on the statement of comprehensive income at an equivalent rate to that used for the depreciation of the related PP&E.
Other revenue and interest are recognized as services are rendered, projects completed or when interest is earned. Revenue and costs associated with Conservation and Demand Management ("CDM") programs are presented using the net basis of accounting within other revenue. Performance incentive payments under CDM programs are recognized by the Corporation when there is reasonable assurance that the program conditions have been satisfied and the incentive payments will be received.
(o) PILs:
Under the Electricity Act, 1998, and effective October 1, 2001, the Corporation incurs PILs that are remitted to the Ministry of Finance. These payments are calculated in accordance with the rules for computing income and taxable capital, and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998 and related regulations. Payments remitted to Ontario Electricity Financial Corporation are designated to be applied against the stranded debt of Ontario Power Generation, formerly Ontario Hydro.
The Corporation recognizes deferred income taxes using the balance sheet

method. Under this method, provisions are made for deferred income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. When deferred income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time. Deferred income tax assets and liabilities are offset since they relate to income taxes levied by the same taxation authority.
A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.
1. Material accounting policies (continued):
The OEB's Electricity Distribution Rate Handbook provides for the recovery of PILs by LDCs through annual distribution rate adjustments as permitted by the OEB.
The method that has been used to set the PILs portion of the Corporation's rates for 2023 is consistent with the approach used in past periods.
Current income taxes are based on taxable profit or loss for the year, which differ from profit or loss as reported in the statement of comprehensive income because it excludes items that are taxable or deductible in other years and items that are neither taxable nor deductible.
(p) Measurement uncertainty:
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting year. Certain estimates are necessary since the regulatory environment in which the Corporation operates requires amounts to be recorded at estimated values until finalization and adjustment pursuant to subsequent regulatory decisions or other regulatory proceedings. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates, including changes as a result of future decisions made by the OEB, the Ministry of Energy and Infrastructure or the Ministry of Finance.
Estimation uncertainty may exist in the following financial notes:
(i) Note 7 - measurement of post-employment non-pension retirement benefits: key actuarial assumptions; and
(ii) Note 14 - ECL.
Management uses judgment in the following:
(iii) Note 2 and note 3 - estimation of useful lives of PP&E and intangible assets;
(iv) Note 4 and note 6 - recognition and measurement of regulatory balances; and
(v) Note 13 - recognition and measureme,nt of commitments and contingencies.
1. Material accounting policies (continued):
(q) Future accounting policies:
At the date of authorization of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been early adopted by the Corporation. Information on new standards and amendments that are expected to be relevant

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to the Corporation's financial statements is provided below. Management is currently assessing the financial statement impact of adopting the following amendments to existing accounting standards for future reporting.

(a) Effective January 1, 2024:

? Classification of liabilities as current or non-current (Amendments to IAS 1) and Non- current Liabilities with Covenants (Amendments to IAS 1).

2. Property, plant and equipment:

Property, plant and equipment consist of the following as at December 31, 2023:

January 1,
2023 Additions/ depreciation Disposals/ retirements December 31,
2023
Cost
Transmission and distribution: Transformers
$ 67,609
$ 4,742
$ (850)
$ 71,501
Underground distribution 68,909 4,123 - 73,032
Poles, towers and fixtures 65,010 4,390 (218) 69,182
Station equipment 28,360 - - 28,360
Overhead distribution 30,159 5,551 (430) 35,280
Meters 16,349 735 (11) 17,073
276,396 19,541 (1,509) 294,428
Construction in progress 8,780 389 - 9,169
Other property, plant and equipment: Vehicle fleet
5,967
768
(556)
6,179
Equipment and furniture 10,892 851 - 11,743
Computer hardware 4,316 337 - 4,653
Buildings 5,847 - - 5,847
Land 294 - - 294
27,316 1,956 (556) 28,716
Total cost $ 312,492 $ 21,886 $ (2,065) $ 332,313
1900
Accumulated depreciation
Transmission and distribution: Transformers
$ 34,346
$ 1,236
$ (824)
$ 34,758
Underground distribution 25,503 1,712 - 27,215
Poles, towers and fixtures 18,003 1,287 (193) 19,097
Station equipment 11,281 622 - 11,903
Overhead distribution 9,561 483 (407) 9,637
Meters 10,030 500 (5) 10,525
108,724 5,840 (1,429) 113,135
Other property, plant and equipment: Vehicle fleet
4,168
271
(556)
3,883
Equipment and furniture 9,360 916 - 10,276
Computer hardware 3,375 344 - 3,719

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Buildings 940 86 - 1,026
17,843 1,617 (556) 18,904
Total accumulated depreciation $ 126,567 $ 7,457 $ (1,985)
$ 132,039 1901
Carrying amount $ 185,925 $ 14,429 $ (80) $ 200,274

2. Property, plant and equipment (continued):
Property, plant and equipment consist of the following as at December 31, 2022:
January 1,
2022 Additions/ depreciation Disposals/ retirements December 31,
2022
Cost
Transmission and distribution: Transformers
$ 66,679
$ 1,715
$ (785)
$ 67,609
Underground distribution 63,236 5,673 - 68,909
Poles, towers and fixtures 64,464 730 (184) 65,010
Station equipment 28,236 124 - 28,360
Overhead distribution 27,966 2,537 (344) 30,159
Meters 15,728 634 (13) 16,349
266,309 11,413 (1,326) 276,396
Construction in progress 5,560 3,220 - 8,780
Other property, plant and equipment: Vehicle fleet
5,529
438
-
5,967
Equipment and furniture 10,522 370 - 10,892
Computer hardware 3,767 549 - 4,316
Buildings 5,810 37 - 5,847
Land 294 - - 294
25,922 1,394 - 27,316
Total cost $ 297,791 $ 16,027 $ (1,326) $ 312,492
Accumulated depreciation
Transmission and distribution: Transformers
$ 33,918
$ 1,180
$ (752)
$ 34,346
Underground distribution 23,908 1,595 - 25,503
Poles, towers and fixtures 16,947 1,228 (172) 18,003
Station equipment 10,617 670 (6) 11,281
Overhead distribution 9,439 429 (307) 9,561
Meters 9,544 486 - 10,030
104,373 5,588 (1,237) 108,724
Other property, plant and equipment: Vehicle fleet
3,900
268
-
4,168
Equipment and furniture 8,647 713 - 9,360
Computer hardware 3,100 275 - 3,375
Buildings 832 108 - 940

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	16,479	1,364	-	17,843
Total accumulated depreciation	$ 120,852	$ 6,952	$ (1,237)	$ 126,567
Carrying amount	$ 176,939	$ 9,075	$ (89)	$ 185,925

2. Property, plant and equipment (continued):

For the year ended December 31, 2023, ascribed interest capitalized to property, plant and equipment as prescribed by the OEB amounted to $298 (2022 - $109). In the absence of rate regulation, additions to property, plant and equipment would have been $298 lower (2022 - $109 lower) and interest expense would have been $298 higher (2022 - $109 higher).

3. Intangible assets:

	January 1, 2023	Additions/ amortization	Disposals/ retirements	December 31, 2023
Cost				
Deferred IRU lease	$ 606	$ -	$ -	$ 606
Computer software	2,817	998	-	3,815
HONI contribution	4,174	7	-	4,181
	$ 7,597	$ 1,005	$ -	$ 8,602
Accumulated depreciation				
Deferred IRU lease	$ 433	$ 31	$ -	$ 464
Computer software	2,600	240	-	2,840
HONI contribution	599	160	-	759
	$ 3,632	$ 431	$ -	$ 4,063
Carrying amount	$ 3,965	$ 574	$ -	$ 4,539

3. Intangible assets (continued):

	January 1, 2022	Additions/ amortization	Disposals/ retirements	December 31, 2022
Cost				
Deferred IRU lease	$ 606	$ -	$ -	$ 606
Computer software	2,790	27	-	2,817
HONI contribution	4,135	39	-	4,174
	$ 7,531	$ 66	$ -	$ 7,597
Accumulated depreciation				
Deferred IRU lease	$ 403	$ 30	$ -	$ 433
Computer software	2,428	172	-	2,600
HONI contribution	413	186	-	599
	$ 3,244	$ 388	$ -	$ 3,632
Carrying amount	$ 4,287	$ (322)	$ -	$ 3,965

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4. Regulatory balances:
Regulatory debits balances consist of the following:
Retail settlement
Post-employment Regulatory debit
Total $ 10,624 $ (1,010) $ 1,513 $ 11,127

4. Regulatory balances (continued):
January 1,
2022 Balances arising in the year
Recovery/ reversal
December 31,
2022
Regulatory debit balances:
Retail settlement
variance - other $ 2,502 $ 4,963 $ - $ 7,465
Deferred income taxes 1,802 1,232 - 3,034
Post-employment
benefits deferral 1,098 (1,098) - -
Regulatory debit
balances - other 28 97 - 125
Total $ 5,430 $ 5,194 $ - $ 10,624

Regulatory credit balances consist of the following:
Balances
arising
January 1, in the Recovery/ December 31,
2023 year reversal 2023
Regulatory credit balances:
Retail settlement
variance - power $ 4,161 $ (4,161) $ - $ -
Retail settlement variance - global
adjustment 1,338 (647) (676) 15
Regulatory Asset Recovery
Regulatory credit
balances - other 798 136 (133) 801
Total $ 11,178 $ (4,959) $ (2,250) $ 3,969

4. Regulatory balances (continued):
Balances
arising
January 1, in the Recovery/ December 31,
2022 year reversal 2022
Regulatory credit balances:
Retail settlement
variance - power $ 4,707 $ (546) $ - $ 4,161
Retail settlementvariance - global
adjustment 466 872 - 1,338 Regulatory Asset Recovery
Account ("RARA") 487 11 40 538
Post-employment
benefits deferral - 4,343 - 4,343 Regulatory credit
balances - other 918 (120) - 798
Total $ 6,578 $ 4,560 $ 40 $ 11,178

The "Balances arising in the year" column consists of new additions to

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regulatory balances (for both debits and credits). The "Recovery/reversal" column consists of amounts disposed through OEB-approved rate riders or transactions reversing an existing regulatory balance. Net movements in regulatory balances, net of tax, is $1,082 (2021 - $4,952).

The regulatory balances of the Corporation consist of the following:

(a) Retail settlement variances:

The retail settlement variances relate to charges the Corporation has incurred for transmission services, generation and wholesale market operations from the IESO, that were not settled with customers during the year through approved rates. The nature of the settlement variances is such that the balance can fluctuate between debit and credit over time and are reported at year-end dates in accordance with rules prescribed by the OEB. Under rate regulation, the variances that would be recorded as revenue or expense when incurred under IFRS are deferred until collected or repaid through future rates. The Corporation has accrued interest on the regulatory debit or credit balances, as directed by the OEB.

4. Regulatory balances (continued):

On December 8, 2022, the Corporation received approval from the OEB for the disposition of certain regulatory account balances. The disposition is to be adjusted through customer rates over two years, with the remaining $1,273 expected to be recognized in 2024. On December 14, 2023, the Corporation received approval from the OEB for the disposition of certain regulatory account balances. The disposition is to be adjusted through customer rates over one year with ($3,662) expected to be recognized in 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(i) Retail settlement variance - power:

The retail settlement variance - power account is established for the purpose of recording the net difference in energy cost only. Net difference refers to the difference between the amount charged by the IESO on the settlement invoice for the energy cost and the amount billed to customers for the energy cost.

On December 8, 2022, the Corporation received approval for the disposition of the December 31, 2021 balance in its 2023 rate application to the OEB. Settlement will occur over a 24-month period commencing on January 1, 2023. On December 14, 2023, the Corporation received approval for the disposition of the December 31, 2022 balance in its 2024 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(ii) Retail settlement variance - global adjustment:

The global adjustment variance account is established for the purpose of recording the net difference in the global adjustment attributable to customers. Net difference refers to the difference between the amount charged or credited by the IESO for the global adjustment, and the amount billed to customers for the global adjustment.

The global adjustment arises mainly due to a difference between the spot price charged by the IESO to market participants and the blended price paid by the IESO under the various contracts with electricity generators and suppliers.

4. Regulatory balances (continued):

On December 8, 2022, the Corporation received approval for the disposition of the December 31, 2021 balance in its 2023 rate application to the OEB. Settlement will occur over a 24-month period commencing on January 1, 2023. On December 14, 2023, the Corporation received approval for the disposition of the December 31, 2022 balance in its 2024 rate application to the OEB.

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Settlement will occur over a 12-month period commencing on January 1, 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(ii) Retail settlement variances - other:

This item refers to a set of accounts that will separately capture information relating to wholesale market service charges, non-recurring wholesale market service charges, retail transmission network service charges and retail transmission connection service charges. Retail settlement variances - other, is used to record the net difference between the amount paid in the month to the IESO for the services listed above and the amount billed to customers and retailers in the month based on OEB approved rates. On December 8, 2022, the Corporation received approval for the disposition of the December 31, 2021 balance in its 2023 rate application to the OEB. Settlement will occur over a 24-month period commencing on January 1, 2023. On December 14, 2023, the Corporation received approval for the disposition of the December 31, 2022 balance in its 2024 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(b) RARA:

Effective May 2006, the RARA was approved by the OEB. This account is used to record the disposition of deferral and variance account balances, by means of a rate rider, for which approval to recover (or refund) has been granted by the OEB as part of the regulatory process. The balance remaining as at December 31, 2023 represents the opening balance approved for recovery, amounts collected during the year, and the deferral and variance account balances approved for disposition by the OEB on December 8, 2022 as part of the Corporation's 2023 rate application for rates effective January 1, 2023. This rate expires December 31, 2024.

4. Regulatory balances (continued):

(c) Deferred income taxes to be paid to customers:

An offset to deferred income tax assets relating to the regulated business has been recorded in the accounts as a regulatory debit balance. As deferred income tax assets are realized, the asset for deferred income taxes to be collected from customers will be settled through OEB approved rates.

(d) Post-employment benefits deferral:

This regulatory balance accumulates the actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments. The balance arising during the year ended December 31, 2023 is primarily related to the actuarial gain recorded. No disposition is currently planned as the balance is derived mainly from actuarial valuation changes and not monetary income or expense.

(e) Regulatory accrued interest:

Interest is earned or charged on regulatory balances at OEB prescribed rates and are recorded to the related regulatory account.

5. Deferred contributions:

The continuity of deferred contributions is as follows:

2023 2022

Deferred contributions, net, beginning of year

$ 43,215

$ 42,190

Deferred contributions received 4,868 1,611

Deferred developer deposits received (refunded) (1,225) 703

Deferred contributions recognized as revenue (1,287) (1,289)

Deferred contributions, net, end of year

45,571

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43,215
Less current portion 721 1,074
Deferred contributions long-term portion $ 44,850 $ 42,141
6. PILs:
The provision for PILs differs from the amount that would have been recorded using the combined
Canadian federal and Ontario statutory income tax rates. statutory and effective tax rates is provided as follows: The reconciliation between the 2023 2022
Income before PILs $ 5,011 $ 273
Net movements in regulatory balances 1,082 4,952
Net income after net movements in regulatory balances, before PILs $ 6,093 $ 5,225
Combined Canadian federal and Ontario statutory income tax rate 26.50% 26.50%
Expected provision for PILs at statutory tax rates $ 1,614 $ 1,384Property, plant and equipment (1,284) (763)
Post-employment non-pension benefits (29) 10
Corporate minimum taxes 164 40
Other (551) (738)
Cost allocations (79) (29)
Recovery for PILs $ (165) $ (96)
Effective tax rates (2.73%) (1.86%)

6. PILs (continued):
Income tax recovery as presented in the statement of comprehensive income is as follows:
2023 2022
Current tax recovery:
Current PILs charge $ (165) $ (96)
Deferred tax expense:
Origination and reversal of temporary differences 2,385 1,232
Deferred taxes transferred to regulatory credits (note 4) (2,385) (1,232)
- -
Income tax recovery charged to net income for the year $ (165) $ (96)
As at December 31, 2023, the Corporation has recognized $5,419 in regulatory debit balances and a corresponding offset to deferred income tax liability (2022 - $3,034).
Deferred income tax liabilities:
Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The net deferred income tax liabilities consist of the following:

January 1, Recognized in regulatory Recognized December 31,
2023 balances in OCI 2023
Components of deferred income tax liabilities:
PP&E $ 6,898 $ 2,594 $ - $ 9,492
Employee post-employment non-pension benefits (2,274) (692) - (2,966)
Other taxable temporary

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Notes to the financial statements

differences (1,590) 483 - (1,107)
Other taxable temporary
differences - OCI - - 978 978
Total $ 3,034 $ 2,385 $ 978 $ 6,397

6. PILs (continued):

January 1, Recognized in
regulatory
Recognized
December 31,
2022 balances in OCI 2022
Components of deferred
income tax liabilities:
PP&E $ 5,278 $ 1,620 $ - $ 6,898
Employee post-employment
non-pension benefits (3,706) 1,432 - (2,274)
Other taxable temporary
differences 230 (1,820) - (1,590)
Other taxable temporary
differences - OCI - - - -
Total $ 1,802 $ 1,232 $ - $ 3,034
7. Employee benefits:
(a) Pension costs
The Corporation's eligible employees participate in a defined benefit pension plan through OMERS. As at December 31, 2023, the OMERS plan was 97.0% funded (December 31, 2022 - 95.0%). OMERS has a strategy to return the plan to a fully funded position. The Corporation is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions.
For the year ended December 31, 2023, the Corporation's contributions were $888 (2022 -$755). OMERS contribution rates were 9.0% up to the year's maximum
pensionable earnings (?YMPE?) and 14.6% over the YMPE for normal retirement age (?NRA?) of 65 (2022 - 9.0% up to YMPE and 14.6% over YMPE for NRA of 65).
(b) Post-employment non-pension retirement benefits:
The Corporation provides post-employment benefits, principally supplemental health and dental coverage, for certain employees who retire from active employment.
7. Employee benefits (continued):
(c) Accrued benefit obligations:
The Corporation measures its accrued benefit obligations as at December 31 of each year. The latest actuarial valuation was performed as at December 31, 2023.
Changes in post-employment non-pension retirement benefits:
2023 2022
Post-employment non-pension retirement benefits,
beginning of year $ 8,580
$ 13,983
Net periodic benefits cost accrued 479 567
Benefits paid (588) (529)
Recognized loss (gain) 2,721 (5,441)
Post-employment non-pension retirement benefits,
end of year $ 11,192
$ 8,580
Components for net periodic benefit costs:

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2023 2022
Current service cost $ 60
$ 153
Imputed interest cost 419 414
Net periodic benefit cost accrual for the year $ 479 $ 567
Significant actuarial assumptions:
2023 2022
Discount rate applied to the calculation of future benefits 4.65%
5.05%
Rate of compound compensation increase
used in determining future costs 3.00%
3.00%

7. Employee benefits (continued):

The current service cost for a year is equal to the actuarial present value of benefits attributed to employees' services rendered during the year. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

The actuarial valuation as at December 31, 2023 assumed health care costs would increase 7% (2022 - 7%) in the year following the valuation. This rate of increase is then reduced annually to a rate of 4% six years following the valuation (2022 - 4% after six years).

Dental costs are assumed to increase by 4% per year (2022 - 4%) beginning in the year following the valuation.

The dispensing fee portion of health care costs is limited to twelve dollars and ninety-nine cents; the current maximum allowed under the benefits plan.

(d) Sensitivity analysis:

The main actuarial assumptions underlying the valuation are as follows:

(i) Interest (discount) rate:

Assumed interest rates have a significant effect on the amounts reported for the total accrued benefit obligations and expense. A 1% change in assumed interest rates would have the following effects for 2023:

Increase Decrease
Accrued benefit obligations, December 31, 2023
$
(1,288)
$
1,590

7. Employee benefits (continued):

(ii) Health care cost trend rate:

The health care cost trend is estimated to increase at a declining rate from 7% to 4% over six years following the valuation. Dental costs are presumed to increase by 4%, beginning in the year following valuation. The approximate effect on the accrued benefit obligations if the health care cost trend rate assumption was increased or decreased by 1% is as follows:

Increase Decrease
Accrued benefit obligations, December 31, 2023
$
1,012
$
(917)

8. Notes payable to shareholder:

The notes payable to the shareholder of $nil (2022 - $80,000). In 2023, the Corporation made interest payments of $1,537 (2022 - $2,633) to the

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shareholder. In June 2023, the notes payable to the shareholder wwere terminated in conjunction with the transfer of the term loans with Toronto-Dominion Commercial Bank from the parent company, Oshawa Power & Utilities Corporation, to the Corporation.

9. Debt:

The Corporation's long-term debt consists of the following:

	2023	2022
Term Loan, ten year interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 3.649%	$ 60,000	$ -
Term Loan, ten year interest rate swap agreement, maturing December 21, 2030, converting the obligation to fixed rate of 2.227%	$ 20,000	$ -
Term Loan, five year four month interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 4.60%	$ 10,000	$ -
Total debt	$ 90,000	$ -
Less current portion	-	-
Total long term debt	$ 90,000	$ -

a) Long-term facilities:

As of December 31, 2023 the Corporation has entered into term loans totalling $90,000 with Toronto-Dominion Commercial Bank (the "Bank"). The debt is at a variable rate of banker's acceptance rate plus 0.80% and 0.55%.

Subject to payment of any unwinding costs or receipt of benefits for unwinding the interest rate swap agreements, the Corporation has the flexibility of pre-paying the debt at its option. The corporation has committed to an additional $10,000 credit facility not drawn upon as of December 31, 2023.

b) Short-term facilities:

The Corporation has an operating line of credit for a maximum amount of $20,000 to assist with its working capital requirements. As of December 31, 2023, there were no outstanding balances on this line of credit (2022 - nil). Interest on short-term debt was nil (2022 - nil) at an effective interest rate of 2.47%.

9. Debt (continued):

The above borrowing facilities are subject to financial tests and covenants. These financial covenants are tested quarterly. In addition, these facilities are subject to other customary covenants and events of default, including an event of cross-default (for non-paymnet of other debts of certain affiliates) of amounts in excess of $5,000. Non-compliance with such covenants could result in accelerated payments of amounts due under the facilities or their termination. The Corporation was in compliance with the above-mentioned covenants as at December 31, 2023.

10. Capital stock:

Capital stock consists of the following:

	2023	2022
Authorized:		
Unlimited common shares Issued:		
1,000 common shares	$ 23,064	$ 23,064

During the year ended December 31, 2023, the Corporation declared and paid a dividend on common shares aggregating $1,100 (2022 - $1,800).

Corporation's name	Business number	Tax year end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

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11. Related party transactions:

(a) The Corporation transacts business with the City and its affiliates in the normal course of business at commercial rates. These transactions are summarized below:

2023 2022

Revenue:
City facilities (from electricity distribution)
$ 3,598
$ 3,335
Streetlights (from electricity distribution) 1,221 1,325
$ 4,819 $ 4,660
Expenses:
100 Simcoe Street South Office $ 351 $ 348
Property taxes 137 150
$ 488 $ 498
Accounts receivable:
Facilities and streetlights $ 728 $ 350
$ 728 $ 350

11. Related party transactions (continued):

(b) During the year ended December 31, 2023, the Corporation has undertaken transactions with related parties, which are entities under common control. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions are summarized as follows:

2023 2022

Oshawa PUC Energy Services Inc.:
Sale of electricity, administration and
maintenance services $ 720 $ 713
Purchase of electricity 25 97
Oshawa PUC Services Inc.:
Sale of administration and maintenance services 299 298
Purchase of services 72 47
2252112 Ontario Inc.:
Sale of electricity, administration and
maintenance services 87 46
Purchase of electricity 545 537
2825407 Ontario Inc.:
Sale of administration 6 -
Purchase of services 108 -

The Corporation receives management support from its parent, Oshawa Power and Utilities Corporation. During the year, the Corporation paid $293 (2022 - $268) to its parent. As at December 31, 2023, the amounts payable to Oshawa Power and Utilities Corporation is$5,108 (2022 - $5,770).

As at December 31, 2023, the amounts owed to the Corporation from affiliated companies consist of $21 from Oshawa PUC Energy Services Inc. (2022 - $539), $175 from Oshawa PUC Services Inc. (2022 - $169), $0 from 2252112 Ontario Inc. (2022 - $26), $11 from 2825909 Ontario Inc. (2022 - $7) and $3 from 2825407 Ontario Inc. (2022 - $0).

12. Leases (continued):

The Corporation leases its premises under a lease with the City. The Corporation's lease expires November 30, 2026.

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 4.06%.

Corporation's name	Business number	Tax year end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

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Leases as lessee (IFRS 16):
(i) Right-of-use assets:
Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as long term right-of-use lease assets on the balance sheet.

	Building	IT equipment	Total
Balance, December 31, 2022	429	6	435
Depreciation charge for the year	(401)	(6)	(407)
Additions	1,135	-	1,135
Balance, December 31, 2023	$ 1,163	$ -	$ 1,163

(ii) Amounts recognized in profit or loss:

	2023	2022
Interest on lease liabilities	$	$ 18

(iii) Amounts recognized in statement of cash flows:

	2023	2022
Total cash outflow for leases	$	$ 342

13. Commitments and contingencies:
(a) Insurance claims:
The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange is an Ontario group formed for the purpose of exchanging reciprocal contracts of indemnity of inter-insurance with each other. MEARIE provides general liability insurance to its member utilities. Insurance premiums charged to each Municipal Electrical Utility consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each electric utility's claims experience.
The Corporation refers any claims received to MEARIE under the provisions of this plan. No provision has been recorded in these financial statements in respect of these matters as the Corporation has not received any claim that is not adequately covered by its insurance.
(b) Income taxes:
The tax returns filed by the Corporation are subject to review and reassessment by the Ministry of Finance for a period of up to five years from the date of filing. Any reassessment may result in a revision to previously determined tax obligations.
(c) Energy Conservation Agreement:
On December 31, 2014, the Corporation entered into an Energy Conservation Agreement ("ECA") with the IESO for the period from January 1, 2015 to December 31, 2020 to deliver Energy Conservation and Demand Management ("CDM") programs. The agreement provided terms under which the Corporation may engage the IESO to design and pay for province-wide CDM programs in support of the Corporation meeting its CDM targets. As a result of a revocation of the CDM programs in March 2019 by the Minister of Energy, Northern Development and Mines, the IESO has provided the Corporation with notice that the IESO has terminated the ECA effective June 20, 2019, with further wind down activities to be completed by August 31, 2022. The Corporation continues to wind down activities and is subject to audit post completion of programs.
13. Commitments and contingencies (continued):
Subject to the terms of the agreement, all IESO CDM program costs were to be

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paid by the IESO. The Corporation effectively acted as a delivery agent for those programs and was entitled to receive all of its estimated administration costs associated with each program. Any administration costs incurred by the Corporation in excess of the pre-approved estimate would not be recoverable. All other program costs incurred by the Corporation (such as customer incentives and goods and services delivered under the programs) were recoverable from the IESO on an invoiced basis in accordance with the agreement.

Under the terms of the Energy Conservation Agreement with the IESO, income incentives were available in the event that the Corporation outperformed its expected target. Alternatively, financial penalties are possible if the Corporation did not meet minimum requirements as outlined in the Energy Conservation Agreement with the IESO. The Corporation estimates it has met its obligations as outlined in the Energy Conservation Agreement with the IESO and has not recorded a provision in these consolidated financial statements for neither financial incentives nor penalties in respect of these matters. The Corporation is subject to an audit on its compliance with the agreement.

(d) Security with IESO:

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Corporation fails to make the payment required on a default notice issued by the IESO. An irrevocable standby letter of credit in the amount of $7,000 was issued in October 2012, and renewed in October 2014, in favour of the IESO as collateral support for energy amounts as determined by and payable to the IESO.

14. Fair values of financial instruments:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the nature of the inputs used in making the measurements. The fair value hierarchy has the following levels:

? Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

? Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

14. Fair values of financial instruments (continued):

? Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2023 and 2022, the Corporation did not have transfers between levels.

The carrying values of cash, restricted cash, accounts receivable, accounts payable for power - IESO, current customer advance payments, and accounts payable and accrued liabilities approximate their fair values due to the short period to maturity of these financial instruments.

The Corporation has designated its financial instruments as follows:

2023 2022

Level Carrying

value Fair value Carrying

value Fair value

Non-current financial assets:

Unrealized gain on interest 2

$

3,691

$

3,691

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$
-
$
-
Rate swaps
Non-current financial liabilities:
Customer advance deposits 1 $ 1,750 $ 1,750 $
1,977 $ 1,977Long-term debt 3 90,000 86,941 - -
Notes payable to shareholder 3 - - 80,000 80,000
The Corporation has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Corporation could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments as well as related interest rate risk, credit risk and liquidity risk are described below.Long-term debt:
The fair value of the Corporation's long-term debt is estimated using present value techniques based on borrowing rates at year-end for debt with similar terms and maturities. Long-term debt is shown net of unamortized debt issue costs.Notes payable to shareholder:
The fair value of the notes payable to shareholder is indeterminable.

14. Fair values of financial instruments (continued):
(a) Credit risk:
Certain of the Corporation's financial assets are exposed to credit risk. Cash consists of deposits with major commercial banks.
The Corporation, in the normal course of business, is exposed to credit risk from its customers. These accounts receivable are subject to normal industry credit risks. The Corporation records an estimate provision for expected credit losses. The Corporation also has insurance in support of certain receivables.
Management considers current economic and credit conditions in revising the estimates and judgments used in preparation of the ECL provision on its accounts receivable balances. The Corporation applies provision rates based on recent and changing trends to customer aging balances, customer collection patterns and risk of customer default and has recorded an ECL allowance of $1,979 (2022 - $1,452) to account for these anticipated risks.
Accounts receivable consists of the following:
2023 2022
Receivables from customers $ 13,394 $ 10,092
Receivables from other trade and projects 2,834 1,018
16,228 11,110
Less ECL 1,979 1,452
Total accounts receivable $ 14,249 $ 9,658
Credit risk associated with accounts receivable is as follows:
2023 2022
Outstanding for not more than 30 days $ 13,432 $ 9,146
Outstanding for more than 30 days and not more
than 90 days
1,480
1,064
Outstanding for more than 90 days 1,316 900
16,228 11,110
Less ECL 1,979 1,452

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Total accounts receivable $ 14,249 $ 9,658

14. Fair values of financial instruments (continued):

The Corporation is also exposed to credit risk from the potential default of any of its counterparties on its interest rate swap agreements. The Corporation mitigates this credit risk by dealing with counterparties who are major financial institutions and which the Corporation anticipates will satisfy their obligations under the contracts. During the year, the Corporation incurred bad debt expense of $1,120 (2022 - $420) which is included in operations, maintenance, and administrative expense.

(b) Interest rate risk:

The Corporation enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on its long-term debt. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. The Corporation does not enter into derivatives for speculative purposes. The fair value of the interest rate swap agreements represents an approximation of the amounts the Corporation would have paid to or received from the counterparty to unwind its positions as at year-end.

The Corporation estimates the unrealized gain on interest rate swaps to be $3,691 as at December 31, 2023. These contracts are designated as hedges, and therefore this gain has been included in OCI. This gain/loss is not expected to affect income as management intends to hold the interest rate swap contracts to maturity.

As at December 31, 2023, the Corporation had three interest rate swap agreements in place with notional amounts of $10,000 (2022 - $nil), $60,000 (2022 - $60,000) and $20,000 (2022 - $20,000) whereby the Corporation pays fixed rates of interest of 4.60%, 3.649% and 2.227% respectively. The swaps are being used to hedge the exposure to changes in the interest rate of its long-term debt, which is at a variable rate of banker's acceptance rate plus 0.80% and 0.55%.

14. Fair values of financial instruments (continued):

(c) Liquidity risk:

The Corporation monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest expense. The Corporation monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

	Due within 1 year	Due between 1 and 5 years	Due past 5 years	Total
Accounts payable for power - IESO	$ 10,500	$ -	$ -	$ 10,500
Accounts payable and accrued liabilities	11,739	-	-	11,739
Asset retirement obligation	-	917	-	917
Due to affiliates	4,898	-	-	4,898
Customer advance payments	512	-	-	512
Deferred Developer deposits	721	1,879	-	2,600
Lease liability (inclusive of interest)	327	627	-	954
Interest rate swap	3,095	12,379	891	16,365

Corporation's name	Business number	Tax year end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

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Long-term debt - 70,000 20,000 90,000
Customer advance
deposits 1,085 1,750 - 2,835

15. Collateral:
As part of its electricity purchase agreement with the IESO, an irrevocable standby letter of credit in the amount of $7,000 was issued in October 2012, and renewed in October 2014, in favour of the IESO, as collateral support for energy amounts as determined by and payable to the IESO.
As part of the amended lease dated June 30, 2023 an irrevocable standby letter of credit in the amount of $500 was issued in favour of the City as collateral support to fund the cost of demolition if not undertaken by the Corporation.
16. Capital management:
The Corporation defines capital as shareholder's equity. The Corporation's objectives when managing capital are to ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans; maintain financial capacity and access to capital to support future development of the business while taking into consideration current and future industry, market and economic risks and conditions; and utilize short-term funding sources to manage its working capital requirements.
17. Revenue:
Sale of electrical energy and distribution revenue consists of the following:
2023 2022
Sale of electrical energy
$ 134,200
$ 135,920
Distribution revenue 29,026 27,226
Total electrical energy and distribution revenue $ 163,226 $
163,146
Residential rate classes
$ 88,723
$ 89,244
Commercial rate classes 73,388 72,501
Street lighting 1,115 1,401
Total electrical energy and distribution revenue $ 163,226 $
163,146
18. Operations, maintenance and administration:
Operations, maintenance and administrative expense consists of the following:
2023 2022

Salaries/benefits/payroll $ 6,368 $ 6,234
External services 3,449 3,358
Repairs and maintenance 518 403
Communications, postage and printing 909 875
Vehicle expenses 529 534
Expected credit losses 1,120 420
Administrative charges 472 429
Utilities, insurance, rent and municipal taxes 595 563
OEB regulatory fee, license and permits 605 592
Other 1,087 798
Total operations, maintenance and administrative $ 15,652 $
14,206

SCHEDULE 100

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

Assets – lines 1000 to 2599

1000	6,746,000	1060	14,249,000	1066	297,000
1120	203,000	1480	14,431,000	1484	707,000
1599	36,633,000	1900	333,476,000	1901	-132,039,000
2008	333,476,000	2009	-132,039,000	2010	8,602,000
2011	-4,063,000	2178	8,602,000	2179	-4,063,000
2420	15,139,000	2589	15,139,000	2599	257,748,000

Liabilities – lines 2600 to 3499

2620	22,239,000	2860	4,898,000	2920	1,806,000
2960	839,000	3139	29,782,000	3140	90,000,000
3220	1,750,000	3240	6,397,000	3320	61,555,000
3450	159,702,000	3499	189,484,000		

Shareholder equity – lines 3500 to 3640

3500	23,064,000	3580	2,713,000	3600	42,487,000
3620	68,264,000	3640	257,748,000		

Retained earnings – lines 3660 to 3849

3660	37,329,000	3680	6,258,000	3700	-1,100,000
3849	42,487,000				

SCHEDULE 125

GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 125

Name of corporation	Business Number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

Description

Sequence number **0003** 01

Other comprehensive income – lines 7000 to 7020

7008	-2,713,000

Revenue – lines 8000 to 8299

8000	134,200,000	8089	134,200,000	8094	602,000
8210	60,000	8230	32,155,000	8299	167,017,000

Cost of sales – lines 8300 to 8519

8320	135,397,000	8518	135,397,000	8519	-1,197,000

Operating expenses – lines 8520 to 9369

8623	885,295	8670	8,294,000	8710	2,663,000
9270	13,684,705	9367	25,527,000	9368	160,924,000
9369	6,093,000				

Extraordinary items and taxes – lines 9970 to 9999

9970	6,093,000	9990	-165,000	9998	-2,713,000
9999	3,545,000				

Canada Revenue Agency / Agence du revenu du Canada

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 . . . . . 3,545,000 A

Add:

Provision for income taxes – current	101	-165,000	
Amortization of tangible assets	104	8,294,000	
Charitable donations and gifts from Schedule 2	112	500	
Scientific research expenditures deducted per financial statements	118	51,290	
Reserves from financial statements – balance at the end of the year	126	12,814,714	
Subtotal of additions		20,995,504 ▶	20,995,504

Add:

Financing fees deducted in books	216	10,000
Recapture of SR&ED expenditures from Form T661	231	11,266

Other additions:

	1 Description 605	2 Amount 295
1	Inducement under 12(1)(x) ITA	2,603,187
2	Interest expense on capital lease	58,254
3	Unrealized loss in fair value of derivatives	2,713,000
	Total of column 2	5,374,441

Total of column 2	296	5,374,441	
Subtotal of other additions	199	5,395,707 ▶	5,395,707 D
Total additions	500	26,391,211 ▶	26,391,211

Amount A **plus** line 500 . . . . . 29,936,211 B

Deduct:

Gain on disposal of assets per financial statements	401	60,000	
Capital cost allowance from Schedule 8	403	12,886,838	
Reserves from financial statements – balance at the beginning of the year	414	12,922,976	
Subtotal of deductions		25,869,814 ▶	25,869,814

Deduct:

Other deductions:

	1 Description 705	2 Amount 395
1	Deduction under 20(1)(e) ITA	2,000
2	Capitalized interest for accounting	298,223
3	13(7.4) election	2,579,863
4	Lease payments on capital lease	389,000
5	Amortization of deferred contributions	1,287,000
6	Co-op credit related to T661 line 431	0
7	Amortization of interest rate swap	519,391
	Total of column 2	5,075,477

Total of column 2 ▶ 396 5,075,477

Subtotal of other deductions	499	5,075,477 ▶	5,075,477	E
Total deductions	510	30,945,291 ▶	30,945,291	
Net income (loss) for income tax purposes (amount B **minus** line 510)			-1,009,080	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		
X	Investment tax credit from apprenticeship job creation expenditures	2,000
	Investment tax credit from child care spaces expenditures	
	Canadian film or video production tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Film or video production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Investment tax credit claimed on contributions made to SR&ED farming organizations	
	Canadian journalism labour tax credit	
	Return of fuel charge proceeds to farmers tax credit	
	Air quality improvement tax credit* * Please verify if the credit amount relates to depreciable property For more information, consult the Help (F1).	

Ontario

A		
X	Portion of the Ontario research and development tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	1,902
X	Ontario co-operative education tax credit	19,422
	Ontario computer animation and special effects tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario film and television tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario production services tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario interactive digital media tax credit* * Please verify if the credit amount relates to depreciable property. For more information, consult the Help (F1).	
	Ontario book publishing tax credit	
	Portion of the Ontario innovation tax credit that relates to the prescribed proxy amount (PPA) and portion of the Ontario investment tax credit that relates to contributions made to SR&ED farming organizations	
	Ontario business-research institute tax credit	
	Ontario community food program donation tax credit for farmers	

Other amounts

A		
X		
	Capital contribution	2,579,863
	Total	2,579,863

Tax credits whose amount should reduce the capital cost of property

Deduction as per paragraph 20(1)(e) of the ITA

This workchart allows you to determine the tax deduction as per paragraph 20(1)(e) of the Income Tax Act (ITA). It relates to the expenses of issuing or selling shares, units or interests and expenses of borrowing money.

Ensure that any of these expenses deducted in the financial statements have been added back on line 216, "Financing fees deducted in books," and/or on line 235, "Share issue expense" to Schedule 1, if applicable.

* If the check box was selected, the annual deduction will be equal to the amount in column C.

1 Description: Financing fee

		A	B	C	D	E	F
Subparagraph 20(1)(e)(v) is applicable in the taxation year*	Date of expense	Expense amount	Amounts deductible in the preceding taxation years	Balance before the annual expense (column A minus column B)	20 % of amount A x number of days in the taxation year 365 / **365**	Annual deduction (C or D, whichever is less)*	Balance at the end of the year (column C minus column E)
☐		10,000		10,000	2,000	2,000	8,000

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Schedule 2

Charitable Donations and Gifts

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 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)
Back Door Mission for the Relief of Poverty	500
Subtotal	500
Add: Total donations of less than $100 each	
Total donations in current tax year	500

Part 1 – Charitable donations

	Line	Federal		Québec	Alberta
Charitable donations at the end of the previous tax year			1A		
Charitable donations expired after five tax years*	239				
Charitable donations at the beginning of the current tax year (amount 1A **minus** line 239)	240				
Charitable donations transferred on an amalgamation or the wind-up of a subsidiary	250				
Total charitable donations made in the current year (include this amount on line 112 of Schedule 1, Net Income (Loss) for Income Tax Purposes)	210	500		500	500
Subtotal (line 250 **plus** line 210)		500	1B	500	500
Subtotal (line 240 **plus** amount 1B)		500	1C	500	500
Adjustment for an acquisition of control	255				
Total charitable donations available (amount 1C **minus** line 255)		500	1D	500	500
Amount applied in the current year against taxable income (cannot be more than amount 2H in Part 2) (enter this amount on line 311 of the T2 return)	260				
Charitable donations closing balance (amount 1D **minus** line 260)	280	500		500	500
The amount of qualifying donations for the Ontario community food program donation tax credit for farmers included in the amount on line 260 (for donations made after December 31, 2013)	262				
Ontario community food program donation tax credit for farmers (amount on line 262 **multiplied** by 25 %)			1		

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

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

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

	Line	Federal	
The amount of qualifying gifts for the British Columbia farmers' food donation tax credit included in the amount on line 260 (for donations made after February 16, 2016, and before January 1, 2027)	265		
British Columbia farmers' food donation tax credit (amount on line 265 **multiplied** by 25 %)			3

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

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

Amounts carried forward – Charitable donations

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

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

Part 2 – Maximum allowable deduction for charitable donations

Net income for tax purposes **(Note 1) multiplied** by 75 % 2A

Taxable capital gains arising in respect of gifts of capital property included in Part 1 **(Note 2)** **225**

Taxable capital gain in respect of a disposition of a non-qualifying security under subsection 40(1.01) **227**

The amount of the recapture of capital cost allowance in respect of charitable donations **230**

Proceeds of disposition, **less** outlays and expenses **(Note 2)** 2B

Capital cost **(Note 2)** 2C

Amount 2B or 2C, whichever is less **235**

Amount on line 230 or 235, whichever is less 2D

Subtotal (**add** lines 225, 227, and amount 2D) 2E

Amount 2E **multiplied** by 25 % 2F

Subtotal (amount 2A **plus** amount 2F) 2G

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

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

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

Part 3 – Gifts of certified cultural property

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

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

Amount carried forward – Gifts of certified cultural property

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

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

Part 4 – Gifts of certified ecologically sensitive land

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

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

Amounts carried forward – Gifts of certified ecologically sensitive land

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

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

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

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

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

Part 5 – Additional deduction for gifts of medicine

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

Federal

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

Québec

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

Alberta

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

where:

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

b is the eligible amount of gifts (line 600)

c is the proceeds of disposition (line 602)

	Line	Federal		Québec	Alberta
Subtotal (line 650 **plus** line 610)			5D		
Subtotal (line 640 **plus** amount 5D)			5E		
Adjustment for an acquisition of control	655				
Amount applied in the current year against taxable income (enter this amount on line 315 of the T2 return)	660				
Subtotal (line 655 **plus** line 660)			5F		
Additional deduction for gifts of medicine closing balance (amount 5E **minus** amount 5F) **(Note 3)**	680				

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

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

Amounts carried forward – Additional deduction for gifts of medicine

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

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

Québec – Gifts of musical instruments

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

Amounts carried forward – Gifts of musical instruments

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

* These gifts expired in the current year.

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Schedule 3

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

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 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) 200	A1	B Enter 1 if payer corporation is **connected** 205	C Business number of **connected** corporation 210	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD 220	E Non-taxable dividends under section 83 230
1			2			
					Total of column E (enter amount on line 402 of Schedule 1)	

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

	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) [1] 240	F1	G Eligible dividends included in column F 242	H Total taxable dividends paid by the **connected** payer corporation (line 460 in Schedule 3 for the tax year in column D) 250	H.1 Total eligible dividends paid by the **connected** payer corporation (line 465 in Schedule 3 for the tax year in column D)	I Dividend refund of the **connected** payer corporation (for tax year in column D) [2] 260
1						

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

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

Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B)			1A
Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B)			1B
Subtotal (amount 1A **plus** amount 1B, include this amount on line 320 of the T2 return)			1C
Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B)			1D
Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B)			1E
Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B)		1F	
Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B)		1G	
Subtotal (amount 1F **plus** amount 1G)		▶	1H
Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B)		1I	
Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B)		1J	
Subtotal (amount 1I **plus** amount 1J)		▶	1K
Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H **minus** amount 1K)			1L

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

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

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

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

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

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

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

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

Part 2 – Calculation of Part IV tax payable

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

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

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

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

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

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

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

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

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

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

(enter amount on line 712 of the T2 return)

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

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

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

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

Part IV tax payable on taxable dividends received from non-connected corporations
(amount 2H **minus** 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 **400**	N Business number **410**	O Tax year-end of recipient corporation in which the dividends in column P were received YYYYMMDD **420**	P Taxable dividends paid to recipient corporations with which you are connected **430**	Q Eligible dividends included in column P **440**
1	Oshawa Power and Utilities Corporation	86486 7593 RC0001	2023-12-31	1,100,000	1,100,000
2					
				1,100,000 (Total of column P)	1,100,000 (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 **plus** line 450)			460	1,100,000
Total eligible dividends paid in the tax year (total of column Q **plus** line 455)			465	1,100,000
Total non-eligible taxable dividends paid in the tax year (line 460 **minus** line 465)			470	

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

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

Part 4 – Total dividends paid in the tax year

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

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)				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
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 **minus** amount 4A)				1,100,000	4B

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Schedule 4

Corporation Loss Continuity and Application

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

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

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes				-1,009,080	1A
Net capital losses deducted in the year (enter as a positive amount)			1B		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)			1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)			1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)			1E		
Employer deduction for non-qualified securities – Paragraph 110(1)(e)			1F		
Subtotal (total of amounts 1B to 1F)			▶		1G
Subtotal (amount 1A **minus** amount 1G; if positive, enter "0"				-1,009,080	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions					1I
Subtotal (amount 1H **minus** amount 1I)				-1,009,080	1J
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)					1K
Current-year non-capital loss (amount 1J **plus** amount 1K; if positive, enter "0")				-1,009,080	1L

If amount 1L is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year			1M		
Non-capital loss expired **(note 1)**	100				
Non-capital losses at the beginning of the tax year (amount 1M **minus** line 100)	102		▶		
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary **(note 2)** corporation	105				
Current-year non-capital loss (from amount 1L)	110	1,009,080			
Subtotal (line 105 **plus** line 110)		1,009,080	▶	1,009,080	1N
Subtotal (line 102 **plus** amount 1N)				1,009,080	1O

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

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

Part 1 – Non-capital losses (continued)

Other adjustments (includes adjustments for an acquisition of control)	150			
Section 80 – Adjustments for forgiven amounts	140			
Subsection 111(10) – Adjustments for fuel tax rebate				
Non-capital losses of previous tax years applied in the current tax year Enter line 130 on line 331 of the T2 return.	130			
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax **(note 3)**	135			
Subtotal (total of lines 150, 140, 130 and 135)				1P
Non-capital losses before any request for a carryback (amount 1O **minus** amount 1P)			1,009,080	1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	569,936		
Second previous tax year to reduce taxable income	902	192,747		
Third previous tax year to reduce taxable income	903			
First previous tax year to reduce taxable dividends subject to Part IV tax	911			
Second previous tax year to reduce taxable dividends subject to Part IV tax	912			
Third previous tax year to reduce taxable dividends subject to Part IV tax	913			
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		762,683	762,683	1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q **minus** amount 1R)	180		246,397	

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

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

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

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

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

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

Part 2 – Capital losses (continued)

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

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

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

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

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

Note 8: Capital losses can be carried forward indefinitely.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

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

Request to carry back farm loss to:

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

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

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

Part 4 – Restricted farm losses

Current-year restricted farm loss

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

Continuity of restricted farm losses and request for a carryback

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

Request to carry back restricted farm loss to:

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

Note

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

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

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

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

Request to carry back listed personal property loss to:

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

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

Part 7 – Limited partnership losses

Current-year limited partnership losses

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

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

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

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

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

Note

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

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

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

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

Note

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

Non-Capital Loss Continuity Workchart

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

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	1,009,080		762,683	N/A		246,397
1st preceding taxation year 2022-12-31		N/A		N/A			
2nd preceding taxation year 2021-12-31		N/A		N/A			
3rd preceding taxation year 2020-12-31		N/A		N/A			
4th preceding taxation year 2019-12-31		N/A		N/A			
5th preceding taxation year 2018-12-31		N/A		N/A			
6th preceding taxation year 2017-12-31		N/A		N/A			
7th preceding taxation year 2016-12-31		N/A		N/A			
8th preceding taxation year 2015-12-31		N/A		N/A			
9th preceding taxation year 2014-12-31		N/A		N/A			
10th preceding taxation year 2013-12-31		N/A		N/A			
11th preceding taxation year 2012-12-31		N/A		N/A			
12th preceding taxation year 2011-12-31		N/A		N/A			
13th preceding taxation year 2010-12-31		N/A		N/A			
14th preceding taxation year 2009-12-31		N/A		N/A			
15th preceding taxation year 2008-12-31		N/A		N/A			
16th preceding taxation year 2007-12-31		N/A		N/A			
17th preceding taxation year 2006-12-31		N/A		N/A			
18th preceding taxation year 2005-12-31		N/A		N/A			
19th preceding taxation year 2004-12-31		N/A		N/A			
20th preceding taxation year 2003-12-31		N/A		N/A			*
Total		1,009,080		762,683			246,397

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

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Schedule 8

Capital Cost Allowance (CCA)

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

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

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

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

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

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

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

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

	1 Name of EPOP **110**	2 Identification number See **note 1** **115**	3 Percentage assigned under the agreement **120**
1.	Oshawa PUC Networks Inc.	891725210RC0001	100.000
2.	Oshawa Power and Utilities Corporation and Associated Corporations	864867593RC0001	
		Total	100.000

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

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

Note 2: Multiply 1.5 million by the percentage assigned to your corporation in column 3. If the total of column 3 is more than 100%, enter 0.

Part 2 – CCA calculation

	1 Class number See **note 3** 200	Description	2 Undepreciated capital cost (UCC) at the beginning of the year 201	3 Cost of acquisitions during the year (new property must be available for use) See **note 4** 203	4 Cost of acquisitions from column 3 that are designated immediate expensing property (DIEP) See **note 5** 232	5 Adjustments and transfers See **note 6** 205	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See **note 7** 221	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See **note 8** 222	8 Proceeds of dispositions See **note 9** 207
1.	1		26,724,338			-6,377,600			0
2.	8		708,103	246,137	246,137				2,509
3.	10		416,399	767,520	767,520				138,500
4.	10.1	Chevrolet Volt	529						N/A
5.	13		338,385	328,161	328,161				0
6.	42		8,340						0
7.	45		16						0
8.	45		8						0
9.	47		91,399,627	16,634,050					0
10.	50		63,595	337,341	337,341				0
11.	95		7,415,200			-1,584,877			0
12.	13								0
13.	12			997,537	997,537				0
		Totals	127,074,540	19,310,746	2,676,696	-7,962,477			141,009

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** 236	12 Immediate expensing See **note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
1.	1			20,346,738					20,346,738	
2.	8			951,731	246,137	246,137			705,594	
3.	10			1,045,419	767,520	767,520			277,899	
4.	10.1	Chevrolet Volt		529					529	
5.	13			666,546	328,161		328,161	328,161	666,546	

	1 Class number	Description	9 Proceeds of dispositions of the DIEP (enter amount from column 8 that relates to the DIEP reported in column 4) 234	10 UCC (column 2 **plus** column 3 **plus** or **minus** column 5 **minus** column 8) See **note 10**	11 UCC of the DIEP (enter the UCC amount that relates to the DIEP reported in column 4) See **note 11** 236	12 Immediate expensing See **note 12** 238	13 Cost of acquisitions on remainder of Class (column 3 **minus** column 12)	14 Cost of acquisitions from column 13 that are accelerated investment incentive properties (AIIP) or properties included in Classes 54 to 56 See **note 13** 225	15 Remaining UCC (column 10 **minus** column 12) (if negative, enter "0")	16 Proceeds of disposition available to reduce the UCC of AIIP and property included in Classes 54 to 56 (column 8 **plus** column 6 **minus** column 13 **plus** column 14 **minus** column 7) (if negative, enter "0") See **note 14**
6.	42			8,340					8,340	
7.	45			16					16	
8.	45			8					8	
9.	47			108,033,677			16,634,050	16,634,050	108,033,677	
10.	50			400,936	337,341	337,341			63,595	
11.	95			5,830,323					5,830,323	
12.	13									
13.	12			997,537	997,537	149,002	848,535	848,535	848,535	
		Totals		138,281,800	2,676,696	1,500,000	17,810,746	17,810,746	136,781,800	

Part 2 – CCA calculation (continued)

	1 Class number	Description	17 Net capital cost additions of AIIP and property included in Classes 54 to 56 acquired during the year (column 14 **minus** column 16) (if negative, enter "0")	18 UCC adjustment for AIIP and property included in Classes 54 to 56 acquired during the year (column 17 **multiplied** by the relevant factor) See **note 15**	19 UCC adjustment for property acquired during the year other than AIIP and property included in Classes 54 to 56 (0.5 **multiplied** by the result of column 13 **minus** column 14 **minus** column 6 **plus** column 7 **minus** column 8) (if negative, enter "0") See **note 16** 224	20 CCA rate % See **note 17** 212	21 Recapture of CCA See **note 18** 213	22 Terminal loss See **note 19** 215	23 CCA (for declining balance method, the result of column 15 **plus** column 18 **minus** column 19, **multiplied** by column 20, or a lower amount, **plus** column 12) See **note 20** 217	24 UCC at the end of the year (column 10 **minus** column 23) 220
1.	1					4	0	0	813,870	19,532,868
2.	8					20	0	0	387,256	564,475
3.	10					30	0	0	850,890	194,529
4.	10.1	Chevrolet Volt				30	N/A	N/A	159	370
5.	13		328,161			NA	0	0	155,740	510,806
6.	42					12	0	0	1,001	7,339
7.	45					45	0	0	7	9
8.	45					45	0	0	4	4
9.	47		16,634,050	8,317,025		8	0	0	9,308,056	98,725,621
10.	50					55	0	0	372,318	28,618
11.	95					0	0	0		5,830,323
12.	13					NA	0	0		
13.	12		848,535			100	0	0	997,537	
		Totals	17,810,746	8,317,025					12,886,838	125,394,962

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

Note 3: If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101.

Note 4: Include any property acquired in previous years that has now become available for use, net of any government assistance received or entitled to be received in the year from a government, municipality or other public authority, or a reduction of capital cost after the application of section 80. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule. Do not include any amount in column 3 in respect of property included in column 5 (see note 6).

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

Note 6: Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the UCC (column 10). Items that increase the UCC include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the UCC (show amounts that reduce the UCC in brackets) include assistance received or receivable during the year for a property, subsequent to its disposition, if such assistance would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f). See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
Also include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor at least 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

Note 7: Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.

Part 2 – CCA calculation (continued)

Note 8: Include all amounts you have repaid during the year for any legally required repayment, made after the disposition of a corresponding property, of:

- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d) and
- an inducement, assistance, or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b)

Include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or include property acquired in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year and continuously owned by the transferor until it was acquired by you.

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

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

Note 11: The amount to enter in column 11 must not exceed the amount in column 10. If it does, enter in column 11 the amount from column 10. If the amount determined in column 10 is zero or a negative amount, enter zero. The only amounts incurred before April 19, 2021, to be included in this column are certain inventory purchases from arm's length persons or partnerships where the conditions in paragraphs 1100(0.3)(a) to (c) are met.

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

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

The immediate expensing limit has to be prorated if your tax year is less than 365 days. You cannot carry forward any unused amount of the immediate expensing limit.
2. UCC of the DIEP: total of column 11
You have to maintain the CCPC status throughout the relevant tax year in order to claim the immediate expensing.

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

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

Note 15: The relevant factors for property of a class in Schedule II, that is an AIIP or included in Classes 54 to 56, available for use respectively before 2024 are:

- 2 1/3 for property in Classes 43.1, 54, and 56
- 1 1/2 for property in Class 55
- 1 for property in Classes 43.2 and 53
- 0 for property in Classes 12, 13, 14, 15, and 59, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 20 for additional information) and
- 0.5 for all other property that is an AIIP

Part 2 – CCA calculation (continued)

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

Note 17: Enter a rate only if you are using the declining balance method. For any other method (for example, the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 23.

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

Note 19: If no property is left in the class at the end of the tax year and there is still a positive amount in the column 10, you have a terminal loss. If applicable, enter the positive amount from column 10 in column 22. The terminal loss rules do not apply to:

- passenger vehicles in Class 10.1
- property in Class 14.1, unless you have ceased carrying on the business to which it relates
- limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply, unless certain conditions are met

Note 20: If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:

- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction)
- Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction)
- Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot, or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction)
- Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction)
- Class 41.2: use a 25% CCA rate. The additional allowance under paragraphs 1100(1)(y.2) (for single mine properties) and 1100(1)(ya.2) (for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive

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

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SCHEDULE 9

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Tax year end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	Oshawa Power and Utilities Corpora		86486 7593 RC0001	3					

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

T2 SCH 9 (11)

Canada

Continuity of financial statement reserves (not deductible)

Financial statement reserves (not deductible)

	Description	Balance at the beginning of the year	Transfer on an amalgamation or the wind-up of a subsidiary	Add	Deduct	Balance at the end of the year
1	Employee future benefits	12,922,976		12,814,714	12,922,976	12,814,714
2						
	Reserves from Part 2 of Schedule 13					
	Totals	12,922,976		12,814,714	12,922,976	12,814,714

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

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SCHEDULE 14

MISCELLANEOUS PAYMENTS TO RESIDENTS

Name of corporation	Business Number	Tax year end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

- This schedule must be completed by all corporations who made the following payments to residents of Canada: royalties for which the corporation has not filed a T5 slip; research and development fees; management fees; technical assistance fees; and similar payments.
- Please enter the name and address of the recipient and the amount of the payment in the applicable column. If several payments of the same type (i.e., management fees) were made to the same person, enter the total amount paid. If similar types of payments have been made, but do not fit into any of the categories, enter these amounts in the column entitled "Similar payments".

	Name of recipient 100	Address of recipient 200	Royalties 300	Research and development fees 400	Management fees 500	Technical assistance fees 600	Similar payments 700
1	Oshawa Power and Utilities C	100 Simcoe Street South Oshawa ON L1H 7M7			292,560		

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Schedule 15

Deferred Income Plans

Corporation's name	Business number	Tax year end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 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) 100	Amount of contribution $ (see note 2) 200	Registration number (RPP, RSUBP, PRPP, and DPSP only) 300	Name of EPSP trust 400	Address of EPSP trust 500	T4PS slip(s) (see note 3) 600
1	1	885,295	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 . . . . 885,295 A

Less:

Total of all amounts for deferred income plans deducted in your financial statements . . . . . 885,295 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)

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Schedule 23

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

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

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

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

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

1 – Associated for purposes of allocating the business limit (unless association code 5 applies)

2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation

3 – Non-CCPC that is a **third corporation**

4 – Associated non-CCPC

5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

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

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

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A.

Ensure that the total at line A does not exceed $500,000.

Allocating the business limit

Date filed (do not use this area) . . . . . . **025** Year Month Day

Enter the calendar year the agreement applies to . . . . . . **050** Year 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? . . . . . . **075** ☐ Yes ☒ No

	1 Name of associated corporations **100**	2 Business number of associated corporations **200**	3 Association code **300**	4 Business limit for the year before the allocation $	5 Percentage of the business limit % **350**	6 Business limit allocated* $ **400**	
1	Oshawa PUC Networks Inc.	89172 5210 RC0001	1	500,000			
2	Oshawa Power and Utilities Corporation and As:	86486 7593 RC0001	1	500,000	100.0000	500,000	
				Total	100.0000	500,000	A

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

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

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

Special rules for business limit

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

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Schedule 31

Investment Tax Credit – Corporations

General information

- Use this schedule:
  - to calculate an investment tax credit (ITC) earned during the tax year
  - to claim a deduction against Part I tax payable
  - to claim a refund of credit earned during the current tax year
  - to claim a carryforward of credit from previous tax years
  - to transfer a credit following an amalgamation or the wind-up of a subsidiary, as described under subsections 87(1) and 88(1)
  - to request a credit carryback to one or more previous years
  - if you are subject to a recapture of ITC
- Unless otherwise stated, all legislative references are to the federal Income Tax Act and Income Tax Regulations.
- Certain ITCs are eligible for a three-year carryback (if not deductible in the year earned) and are also eligible for a twenty-year carryforward. This does not apply to the clean economy ITCs, which are refundable tax credits.
- Investments or expenditures, described in subsection 127(9) and Regulation Part XLVI, that earn an ITC are:
  - qualified property and qualified resource property (Parts 4 to 7 of this schedule)
    - You can no longer claim the ITC for the qualified resource property expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - qualified scientific research and experimental development (SR&ED) expenditures (Parts 8 to 17). File Form T661, Scientific Research and Experimental Development (SR&ED) Expenditures Claim
  - pre-production mining expenditures (Part 18)
    - You can no longer claim the ITC for the pre-production mining expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
  - apprenticeship job creation expenditures (Parts 19 to 21)
  - child care spaces expenditures (Part 22)
    - You can no longer claim the ITC for the child care spaces expenditures. Only unused credits that have not expired can be carried forward for up to 20 tax years following the tax year in which you incurred the expenditures.
- Investments or expenditures for clean economy, described in sections 127.44 or 127.45, that earn an ITC are:
  - investment in carbon capture, utilization, or storage (CCUS) projects, for qualifying expenditures made after 2021 (Part 25)
  - investment in clean technology property that is acquired and that becomes available for use after March 27, 2023 (Part 24)
- File this schedule with the T2 Corporation Income Tax Return. If you need more space, attach additional schedules.
- For more information on ITCs, see **Investment Tax Credit** in Guide T4012, T2 Corporation – Income Tax Guide.
- For more information on SR&ED, see Guide T4088, Scientific Research and Experimental Development (SR&ED) Expenditures Claim – Guide to Form T661.

Detailed information

- For the purpose of this schedule, investment means the capital cost of the property (excluding amounts added by an election under section 21), determined without reference to subsections 13(7.1) and 13(7.4), minus the amount of any government or non-government assistance that the corporation has received, is entitled to receive, or can reasonably be expected to receive for that property at the time it files the income tax return for the year in which the property was acquired. See subsection 127.44(9) for similar rules for capital cost for the CCUS ITC and subsection 127.45(5) for similar rules for capital cost for the clean technology ITC.
- An ITC deducted in a tax year for a depreciable property reduces both the capital cost of that property and the undepreciated capital cost of that class in the next tax year. An ITC for SR&ED deducted or refunded in a tax year will reduce the balance in the pool of deductible SR&ED expenditures and the adjusted cost base (ACB) of an interest in a partnership in the next tax year. An ITC from pre-production mining expenditures deducted in a tax year reduces the balance in the pool of deductible cumulative Canadian exploration expenses in the next tax year.
- Property acquired has to be **available for use (AFU)** before a claim for an ITC can be made. See subsections 127(11.2), 127.45(4) and 248(19) for more information. The AFU rules do not apply to claims for the CCUS ITC.
- Expenditures for SR&ED qualifying for an ITC must be identified by the claimant on Form T661 and Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures. A claimant that does not meet this reporting deadline will not be able to file Schedule 508, Ontario Research and Development Tax Credit, and Schedule 566, Ontario innovation Tax Credit.
- Expenditures for an apprenticeship ITC or a clean economy ITC must be identified by the claimant on Schedule 31 no later than 12 months after the claimant's income tax return is due for the tax year in which it incurred the expenditures.

Detailed information (continued)

- Partnership allocations – Subsection 127(8) provides for the allocation of the amount that may reasonably be considered to be a partner's share of the ITCs of the partnership at the end of the fiscal period of the partnership. An allocation of ITCs is generally considered to be the partner's reasonable share of the ITCs if it is made in the same proportion in which the partners have agreed to share any income or loss and if section 103 is not applicable for the agreement to share any income or loss. Special rules apply to specified members of a partnership and limited partners. For more information, see Guide T4068, Guide for the Partnership Information Return (T5013 Forms). See section 127.47 for rules that apply to partnerships for the clean economy ITCs generally. For more information on partnership allocations for CCUS ITC, see subsection 127.44(11), and for clean technology ITC, subsection 127.45(8).
- For tax purposes, Canada includes the **exclusive economic zone** of Canada as defined in the Oceans Act (which generally consists of an area of the sea that is within 200 nautical miles from the Canadian coastline), including the airspace, seabed and subsoil of that zone. For the clean technology ITC, Canada includes the exclusive economic zone of Canada only for property that is described in subparagraph d(v) or (xiv) of Class 43.1 in Schedule II of the Regulations.
- For the purpose of this schedule, the expression **Atlantic Canada** includes the Gaspé Peninsula and the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick, as well as their respective offshore regions (prescribed in Regulation 4609).
- For the purpose of this schedule, **qualified property** means property in Atlantic Canada that is used primarily for manufacturing and processing, farming or fishing, logging, storing grain, or harvesting peat. Qualified property includes new buildings and new machinery and equipment (prescribed in Regulation 4600), and new energy generation and conservation property (prescribed in Regulation 4600). Certain qualified property can also be used primarily to produce or process electrical energy or steam in a prescribed area (as described in Regulation 4610). See the definition of **qualified property** in subsection 127(9) for more information.

Part 1 – Investments, expenditures and percentages

	Specified percentage
Investments	
Qualified property and qualified resource property (Part 5)	
Qualified property acquired primarily for use in Atlantic Canada	10 %
Expenditures	
SR&ED (Part 11)	
If you are a Canadian-controlled private corporation (CCPC), this percentage may apply to the portion that you claim of the SR&ED qualified expenditure pool that does not exceed your expenditure limit (see Part 10)	35 %
Note: If your current year's qualified expenditures are more than your expenditure limit (see Part 10), the excess is eligible for an ITC calculated at the 15 % rate.	
If you are a corporation that is not a CCPC and have incurred qualified expenditures for SR&ED in any area in Canada	15 %
Apprenticeship job creation (Part 19)	
If you paid salary and wages to apprentices in the first 24 months of their apprenticeship contract for employment	10 %
Clean economy ITCs	
To qualify for the investment tax credit rates below, corporations must elect (in prescribed form) to meet certain labour requirements – prevailing wage requirements and apprenticeship requirements. They must also attest (in prescribed form) to have met these requirements. Otherwise, the credit rate will be reduced by 10 percentage points.	
Clean technology	
If you invested in clean technology property that is acquired and that becomes available for use:	
after March 27, 2023, and before 2034	30%
after 2033 and before 2035	15%
CCUS (Part 25)	
If you incurred qualified carbon capture expenditures to capture carbon directly from ambient air:	
after 2021 and before 2031	60%
after 2030 and before 2041	30%
If you incurred qualified carbon capture expenditures to capture carbon other than directly from ambient air:	
after 2021 and before 2031	50%
after 2030 and before 2041	25%
If you incurred qualified expenditures for carbon transportation, use, or storage:	
after 2021 and before 2031	37.5%
after 2030 and before 2041	18.75 %

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

Part 2A – Determination of a qualifying corporation

This section does not apply to the clean economy investment tax credits.

Is the corporation a qualifying corporation? . . . . . **101** Yes [ ] No [X]

Enter your taxable income for the previous tax year* (prior to any loss carrybacks applied) . . . . . **390** ________

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

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

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

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

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

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

Part 2B – Determination of an excluded corporation – SR&ED

Is the qualifying corporation an excluded corporation as defined under subsection 127.1(2)? . . . . . **650** Yes [ ] No [X]

Only 40% refund will be available to a qualifying corporation that is an **excluded corporation** as defined under subsection 127.1(2). A corporation is an excluded corporation if, at any time during the year, it is a corporation that is either controlled by (directly or indirectly, in any manner whatever) or is related to one of the following:

a) one or more persons exempt from Part I tax under section 149
b) Her Majesty in right of a province, a Canadian municipality, or any other public authority
c) any combination of persons referred to in a) or b) above

Part 3 – Corporations in the farming industry

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

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

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

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

* Enter only contributions not already included on Form T661.

Qualified Property and Qualified Resource Property

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

Capital cost allowance class number **105**	Description of investment **110**	Date available for use **115**	Location used in Atlantic Canada (province) **120**	Amount of investment **125**
			Total of investments for qualified property	________ 4A

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

ITC at the end of the previous tax year				5A
Credit deemed as a remittance of co-op corporations	210			
Credit expired	215			
Subtotal (line 210 **plus** line 215)			▶	5B
ITC at the beginning of the tax year (amount 5A **minus** amount 5B)			220	
Credit transferred on an amalgamation or the wind-up of a subsidiary	230			
ITC from repayment of assistance	235			
Qualified property (amount 4A) ______ x 10 % =	240			
Credit allocated from a partnership	250			
Subtotal (total of lines 230 to 250)			▶	5C
Total credit available (line 220 **plus** amount 5C)				5D
Credit deducted from Part I tax	260			
Credit carried back to previous years (amount 6A)		5E		
Credit transferred to offset Part VII tax liability	280			
Subtotal (total of line 260, amount 5E, and line 280)			▶	5F
Credit balance before refund (amount 5D **minus** amount 5F)				5G
Refund of credit claimed on investments from qualified property (from Part 7)			310	
ITC closing balance of investments from qualified property and qualified resource property (amount 5G **minus** line 310)			320	

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

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

Total of lines 901 to 903
Enter at amount 5E. 6A

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

Current-year ITCs (line 240 **plus** line 250 in Part 5)	7A
Credit balance before refund (from amount 5G)	7B
Refund (40 % of amount 7A or 7B, whichever is less)	7C

Enter amount 7C or a lesser amount on line 310 in Part 5 (also include in line 780 of the T2 return if you do not claim an SR&ED ITC refund).

SR&ED

Part 8 – Qualified SR&ED expenditures

Qualified SR&ED expenditures (line 559 on Form T661)		79,411		
Contributions to agricultural organizations for SR&ED				
Deduct: Government assistance, non-government assistance, or contract payment				
Subtotal				
x	80 %			
Contributions to agricultural organizations for SR&ED for the federal ITC (this amount is updated to line 103 of Part 3. For more details, consult the Help.)*		+		
Qualified SR&ED expenditures (line 559 on Form T661 **plus** line 103 in Part 3)*		79,411	350	79,411
Repayments made in the year (from line 560 on Form T661)			370	
Total qualified SR&ED expenditures (line 350 **plus** line 370)			380	79,411

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

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

Part 9 only applies if you are a CCPC.

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

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

Is the corporation associated with another CCPC for the purpose of calculating the SR&ED expenditure limit? **385** Yes [X] No [ ]

If you answered **no** to the question on line 385 or if you are not associated with any other corporations, complete line 398.

If you answered **yes**, complete Schedule 49, Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Expenditure Limit, to determine the amounts for associated corporations.

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

Part 10 – SR&ED expenditure limit for a CCPC

For a stand-alone (not associated) corporation

$ 40,000,000 **minus** line 398 in Part 9 ______ 10A

Amount 10A divided by $ 40,000,000 ______ 10B

Expenditure limit for the stand-alone corporation ($ 3,000,000 **multiplied** by amount 10B)* ______ 10C

For an associated corporation

If associated, the allocation of the SR&ED expenditure limit, as provided on Schedule 49* **400** ______

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

Amount 10C or line 400 ______ x Number of days in the tax year / 365 = 365 ______ 10D

Your SR&ED expenditure limit for the year (enter amount 10C, line 400, or amount 10D, whichever applies) **410** ______

* Amount 10C or line 400 cannot be more than $3,000,000.

Part 11 – Investment tax credits on SR&ED expenditures

Qualified SR&ED expenditures (from line 350 in Part 8) or the expenditure limit (from line 410 in Part 10), whichever is less*	420		x	35 %	=		11A
Line 350 **minus** line 410 (if negative, enter "0")	430	79,411	x	15 %	=	11,912	11B

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

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

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

Repayment of assistance that reduced a qualifying expenditure for a CCPC**	460		x	35 %	=		11C
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred before 2015	480		x	20 %	=		11D
Repayment of assistance made after September 16, 2016, that reduced a qualifying expenditure incurred after 2014	490		x	15 %	=		11E
Subtotal (total of amounts 11C to 11E)						▶	11F
Current-year SR&ED ITC (total of amounts 11A, 11B, and 11F; enter on line 540 in Part 12)						11,912	11G

* For corporations that are not CCPCs, enter "0" for amount 11A.

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

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

ITC at the end of the previous tax year					12A
Credit deemed as a remittance of co-op corporations	510				
Credit expired	515				
Subtotal (line 510 **plus** line 515)			▶		12B
ITC at the beginning of the tax year (amount 12A **minus** amount 12B)			520		
Credit transferred on an amalgamation or the wind-up of a subsidiary	530				
Total current-year credit (from amount 11G)	540	11,912			
Credit allocated from a partnership	550				
Subtotal (total of lines 530 to 550)		11,912	▶	11,912	12C
Total credit available (line 520 **plus** amount 12C)				11,912	12D
Credit deducted from Part I tax	560				
Credit carried back to previous years (amount 13A)			12E		
Credit transferred to offset Part VII tax liability	580				
Subtotal (total of line 560, amount 12E, and line 580)			▶		12F
Credit balance before refund (amount 12D **minus** amount 12F)				11,912	12G
Refund of credit claimed on SR&ED expenditures (from Part 14 or 15, whichever applies)			610		
ITC closing balance on SR&ED (amount 12G **minus** line 610)			620	11,912	

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

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

Total of lines 911 to 913 ______ 13A
Enter at amount 12E.

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

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

Current-year ITC (lines 540 **plus** 550 in Part 12 **minus** amount 11F) ______ 14A

Refundable credits (amount 14A or amount 12G, whichever is less) ______ 14B

Amount 14B or amount 11A, whichever is less ______ 14C

Net amount (amount 14B **minus** amount 14C; if negative, enter "0") ______ 14D

Amount 14D **multiplied** by 40 % ______ 14E

Amount 14C ______ 14F

Refund of ITC (amount 14E **plus** amount 14F – enter this, or a lesser amount, on line 610 in Part 12) ______ 14G

Include the total of line 310 in Part 5 and line 610 in Part 12 in line 780 of the T2 return.

* If you are also an excluded corporation, as determined in Part 2B, amount 14B must be multiplied by 40%. Claim this, or a lesser amount, as your refund of ITC for amount 14G.

Part 15 – Refund of ITC for CCPCs that are neither qualifying nor excluded corporations – SR&ED

Complete this part only if you are a CCPC that is not a qualifying corporation as determined on line 101 in Part 2A or an excluded corporation as determined on line 650 in Part 2B.

Credit balance before refund (amount 12G) 11,912 15A

Refund of ITC (amount 15A or amount 11A, whichever is less) ______ 15B

Enter amount 15B, or a lesser amount, on line 610 in Part 12 and also include it in line 780 of the T2 return.

Recapture – SR&ED

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

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

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

Note:

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

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

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

Calculation 1 – If you meet all of the above conditions

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

Subtotal
Enter at amount 17A. 16A

Calculation 2 – Only if you transferred all or a part of the qualified expenditure to another person under an agreement described in subsection 127(13); otherwise, enter nil at amount 16B.

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

Subtotal (total of column F)
Enter at amount 17B. 16B

Calculation 3

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

Corporate partner's share of the excess of SR&ED ITC 760
Enter at amount 17C.

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

Recaptured ITC from calculation 1, amount 16A		17A
Recaptured ITC from calculation 2, amount 16B		17B
Recaptured ITC from calculation 3, line 760 in Part 16		17C
Total recapture of SR&ED investment tax credit (total of amounts 17A to 17C) Enter at amount 26A.		17D

Pre-Production Mining

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

ITC at the end of the previous tax year				18A
Credit deemed as a remittance of co-op corporations	841			
Credit expired	845			
Subtotal (line 841 **plus** line 845)			►	18B
ITC at the beginning of the tax year (amount 18A **minus** amount 18B)			850	
Credit transferred on an amalgamation or the wind-up of a subsidiary			860	
Total credit available (line 850 **plus** line 860)				18C
Amount of unused credit carried forward from previous years and applied to reduce Part I tax payable in the current year			885	
ITC closing balance from pre-production mining expenditures (amount 18C **minus** line 885)			890	

Apprenticeship Job Creation

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

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

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

	A Contract number (SIN or name of apprentice) 601	B Name of eligible trade 602	C Eligible salary and wages* 603	D Column C x 10 % 604	E Lesser of column D or $ 2,000 605
1.	SYS215448 REDACTED	Powerline Technician	38,883	3,888	2,000
2.	SYS518456	Powerline Technician	27,495	2,750	2,000
				Total current-year credit (total of column E) Enter on line 640 in Part 20.	4,000 19A

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

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

ITC at the end of the previous tax year			20A
Credit deemed as a remittance of co-op corporations	612		
Credit expired after 20 tax years	615		
Subtotal (line 612 **plus** line 615)			20B
ITC at the beginning of the tax year (amount 20A **minus** amount 20B)	625		
Credit transferred on an amalgamation or the wind-up of a subsidiary	630		
ITC from repayment of assistance	635		
Total current-year credit (amount 19A)	640	4,000	
Credit allocated from a partnership	655		
Subtotal (total of lines 630 to 655)		4,000	4,000 20C
Total credit available (line 625 **plus** amount 20C)			4,000 20D
Credit deducted from Part I tax	660		
Credit carried back to previous years (amount 21A)		20E	
Subtotal (line 660 **plus** amount 20E)			20F
ITC closing balance from apprenticeship job creation expenditures (amount 20D **minus** amount 20F)	690		4,000

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

	Year	Month	Day		
1st previous tax year				Credit to be applied 931	
2nd previous tax year				Credit to be applied 932	
3rd previous tax year				Credit to be applied 933	

Total of lines 931 to 933 ______ 21A
Enter at amount 20E.

Child Care Spaces

Part 22 – Account balances – ITC from child care spaces expenditures

ITC at the end of the previous tax year				22A
Credit deemed as a remittance of co-op corporations	765			
Credit expired after 20 tax years	770			
Subtotal (line 765 **plus** line 770)			►	22B
ITC at the beginning of the tax year (amount 22A **minus** amount 22B)			775	
Credit transferred on an amalgamation or the wind-up of a subsidiary	777			
Credit allocated from a partnership	782			
Subtotal (line 777 **plus** line 782)			►	22C
Total credit available (line 775 **plus** amount 22C)				22D
Credit deducted from Part I tax			785	
ITC closing balance from child care spaces expenditures (amount 22D **minus** line 785)			790	

Recapture – Child Care Spaces

Part 23 – Recapture of ITC for corporations and partnerships – Child care spaces

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

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

If the property disposed of is a child care space, the amount that can reasonably be considered to have been included in the original ITC (paragraph 127(27.12)(a))			792	
In the case of eligible expenditures (paragraph 127(27.12)(b)), the lesser of:				
The amount that can reasonably be considered to have been included in the original ITC	795			
25% of either the proceeds of disposition (if sold in an arm's length transaction) or the fair market value (in any other case) of the property	797			
Amount from line 795 or line 797, whichever is less				23A

Partnerships

As a member of the partnership, you will report your share of the child care spaces ITC of the partnership after the child care spaces ITC has been reduced by the amount of the recapture. If this amount is a positive amount, you will report it on line 782 in Part 22. However, if the partnership does not have enough ITC otherwise available to offset the recapture, then the amount by which reductions to ITC exceed additions (the excess) will be determined and reported on line 799 below.

Corporate partner's share of the excess of ITC	799		
Total recapture of child care spaces investment tax credit (total of line 792, amount 23A, and line 799)			23B

Enter at amount 26B.

Clean technology

Part 24 – Clean technology ITC

Clean technology ITC	**155**	

Include in line 780 of the T2 return.

Carbon Capture, Utilization, and Storage

Part 25 – Carbon capture, utilization, and storage ITC

Carbon capture, utilization, and storage ITC	**200**	

Include in line 780 of the T2 return.

Summary of Investment Tax Credits

Part 26 – Total recapture of investment tax credit

Recaptured SR&ED ITC (amount 17D)		26A
Recaptured child care spaces ITC (amount 23B)		26B
Total recapture of investment tax credit (amount 26A **plus** amount 26B) Enter on line 602 of the T2 return.		26C

Part 27 – Total ITC deducted from Part I tax

ITC from investments in qualified property deducted from Part I tax (line 260 in Part 5)		27A
ITC from SR&ED expenditures deducted from Part I tax (line 560 in Part 12)		27B
ITC from pre-production mining expenditures deducted from Part I tax (line 885 in Part 18)		27C
ITC from apprenticeship job creation expenditures deducted from Part I tax (line 660 in Part 20)		27D
ITC from child care space expenditures deducted from Part I tax (line 785 in Part 22)		27E
Total ITC deducted from Part I tax (total of amounts 27A to 27E) Enter on line 652 of the T2 return.		27F

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 99 Cur. or cap. R&D for ITC

Current year

Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
11,912				11,912

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2022-12-31				
2021-12-31				
2020-12-31				
2019-12-31				
2018-12-31				
2017-12-31				
2016-12-31				
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				*
Total				

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 20th preceding year. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

Summary of Investment Tax Credit Carryovers

Continuity of investment tax credit carryovers

CCA class number 97 Apprenticeship job creation ITC

Current year

	Addition current year (A)	Applied current year (B)	Claimed as a refund (C)	Carried back (D)	ITC end of year (A-B-C-D)
	4,000				4,000

Prior years

Taxation year	ITC beginning of year (E)	Adjustments (F)	Applied current year (G)	ITC end of year (E-F-G)
2022-12-31				
2021-12-31				
2020-12-31				
2019-12-31				
2018-12-31				
2017-12-31				
2016-12-31				
2015-12-31				
2014-12-31				
2013-12-31				
2012-12-31				
2011-12-31				
2010-12-31				
2009-12-31				
2008-12-31				
2007-12-31				
2006-12-31				
2005-12-31				
2004-12-31				
2003-12-31				*
Total				

B+C+D+G **Total ITC utilized**

* The **ITC end of year** includes the amount of ITC expired from the 20th preceding year. Note that this credit expires at the end of the tax year and any expired credit will be posted to line 215, 515, 615, 770 or 845, as applicable, in Schedule 31 the following year.

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Schedule 33

Taxable Capital Employed in Canada – Large Corporations

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 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	12,814,714		
Capital stock (or members' contributions if incorporated without share capital)	103	23,064,000		
Retained earnings	104	42,487,000		
Contributed surplus	105			
Any other surpluses	106			
Deferred unrealized foreign exchange gains	107			
All loans and advances to the corporation	108	1,087,000		
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, hypothecary claims, bankers' acceptances, or similar obligations	109			
Any dividends declared but not paid by the corporation before the end of the year	110			
All other indebtedness of the corporation (other than any indebtedness for a lease) that has been outstanding for more than 365 days before the end of the year	111			
The total of all amounts, each of which is the amount, if any, in respect of a partnership in which the corporation held a membership interest at the end of the year, either directly or indirectly through another partnership (see note below)	112			
Subtotal (**add** lines 101 to 112)		79,452,714	79,452,714	A

Note:

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

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

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

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

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

Part 1 – Capital (continued)

Subtotal A (from page 1)			79,452,714 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	79,452,714

Part 2 – Investment allowance

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

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

Notes:

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

Part 3 – Taxable capital

Capital for the year (line 190)		79,452,714 C
Deduct: Investment allowance for the year (line 490)		D
Taxable capital for the year (amount C **minus** amount D) (if negative, enter "0")	500	79,452,714

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)	79,452,714	x	Taxable income earned in Canada / Taxable income	**610**	1,000 / 1,000	= **Taxable capital employed in Canada** **690**	79,452,714

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

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

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

Deduct the following amounts:

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

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

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

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

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

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

Part 5 – Calculation for purposes of the small business deduction

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

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

Enter this amount at line 415 of the T2 return.

Attached Schedule with Total

Part 1 – All loans and advances to the corporation

Title Part 1 – All loans and advances to the corporation

Description	Operator (Note)	Amount
Due to affiliates		4,898,000 00
Customer advance payments	+	512,000 00
Current portion of customer advance deposits	+	1,085,000 00
Note payable to shareholder	+	
Customer advance deposits	+	1,750,000 00
Regulatory liabilities	+	3,969,000 00
Regulatory assets	+	-11,127,000 00
	+	
	+	
	Total	1,087,000 00

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

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Schedule 50

Shareholder Information

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 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) 100	Business number or partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "**NR**") 200	Social insurance number (9 digits) 300	Trust number (T followed by 8 digits) 350	Percentage common shares 400	Percentage preferred shares 500
1	Oshawa Power and Utilities Corporation	864867593RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						

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Schedule 53

General Rate Income Pool (GRIP) Calculation

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

On: 2023-12-31

- If you are a Canadian-controlled private corporation (CCPC) or a deposit insurance corporation (DIC), use this schedule to determine the general rate income pool (GRIP).
- Credit unions are **not** required to complete this schedule.
- All legislative references are to the federal Income Tax Act and Income Tax Regulations.
- When an eligible dividend was paid in the tax year or there was a change in the GRIP balance, file a completed copy of this schedule with your T2 Corporation Income Tax Return. Do not send your worksheets with your return, but keep them in your records in case we ask to see them later.
- Subsection 89(1) defines the terms **eligible dividend**, **excessive eligible dividend designation**, **general rate income pool**, and **low rate income pool**.

Eligibility for the various additions

Answer the following questions to determine the corporation's eligibility for the various additions:

2006 addition

1. Is this the corporation's first taxation year that includes January 1, 2006? ☐ Yes ☒ No
2. If not, what is the date of the taxation year end of the corporation's first year that includes January 1, 2006? Enter the date and go directly to question 4 — 2006-12-31
3. During that first year, was the corporation a CCPC or would it have been a CCPC if not for the election of subsection 89(11) ITA? ☒ Yes ☐ No
   If the answer to question 3 is yes, complete Part "GRIP addition for 2006".

Change in the type of corporation

4. Was the corporation a CCPC during its preceding taxation year? ☒ Yes ☐ No
5. Corporations that become a CCPC or a DIC ☐ Yes ☒ No
   If the answer to question 5 is yes, complete Part 4.

Amalgamation (first year of filing after amalgamation)

6. Corporations that were formed as a result of an amalgamation ☐ Yes ☒ No
   If the answer to question 6 is yes, answer questions 7 and 8. If the answer is no, go to question 9.
7. Was one or more of the predecessor corporations neither a CCPC nor a DIC? ☐ Yes ☐ No
   If the answer to question 7 is yes, complete Part 4.
8. Was one or more of the predecessor corporation a CCPC or a DIC during the taxation year that ended immediately before amalgamation? ☐ Yes ☐ No
   If the answer to question 8 is yes, complete Part 3.

Winding-up

9. Has the corporation wound-up a subsidiary in the preceding taxation year? ☐ Yes ☒ No
   If the answer to question 9 is yes, answer questions 10 and 11. If the answer is no, go to Part 1.
10. Was the subsidiary neither a CCPC nor a DIC during its last taxation year? ☐ Yes ☐ No
    If the answer to question 10 is yes, complete Part 4.
11. Was the subsidiary a CCPC or a DIC during its last taxation year? ☐ Yes ☐ No
    If the answer to question 11 is yes, complete Part 3.

Part 1 – General rate income pool (GRIP)

GRIP at the end of the previous tax year				100	15,060,308
Taxable income for the year (DICs enter "0")*		110			
Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least*	130				
For a CCPC, the lesser of aggregate investment income (line 440 of the T2 return) and taxable income*	140				
Subtotal (line 130 **plus** line 140)		►	A		
Income taxable at the general corporate rate (line 110 **minus** amount A) (if negative enter "0")		150			
After-tax income (line 150 **multiplied** by 0.72 (the general rate factor for the tax year))				190	
Eligible dividends received in the tax year		200			
Dividends deductible under section 113 received in the tax year		210			
Subtotal (line 200 **plus** line 210)			►		B
Becoming a CCPC (amount W5 in Part 4)		220			
Post-amalgamation (total of amount E4 in Part 3 and amount W5 in Part 4)		230			
Post-wind-up (total of amount E4 in Part 3 and amount W5 in Part 4)		240			
Subtotal (**add** lines 220, 230, and 240)		290	►		
Subtotal (**add** lines 100, 190, 290, and amount B)					15,060,308 C
Eligible dividends paid in the previous tax year		300	1,800,000		
Excessive eligible dividend designations made in the previous tax year		310			
(If becoming a CCPC (subsection 89(4) applies), enter "0" on lines 300 and 310.)					
Subtotal (line 300 **minus** line 310)			1,800,000 ►		1,800,000 D
GRIP before adjustment for specified future tax consequences (amount C **minus** amount D) (amount can be negative)				490	13,260,308
Total GRIP adjustment for specified future tax consequences to previous tax years (amount L3 in Part 2)				560	549,132
GRIP at the end of the tax year (line 490 **minus** line 560)				590	12,711,176

Enter this amount on line 160 of Schedule 55, Part III.1 Tax on Excessive Eligible Dividend Designations.

* For lines 110, 130, and 140, the income amount is the amount before considering specified future tax consequences. This phrase is defined in subsection 248(1). It includes the deduction of a loss carryback from subsequent tax years, a reduction of Canadian exploration expenses and Canadian development expenses that were renounced in subsequent tax years (for example, flow-through share renunciations), reversals of income inclusions where an option is exercised in subsequent tax years, and the effect of certain foreign tax credit adjustments.

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years

Complete this part if the corporation's taxable income of any of the previous three tax years took into account the specified future tax consequences defined in subsection 248(1) from the current tax year. Otherwise, enter "0" on line 560.

First previous tax year 2022-12-31

Taxable income before specified future tax consequences from the current tax year 569,936 A1

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ B1

Aggregate investment income (line 440 of the T2 return) . . . . ______ C1

Subtotal (amount B1 **plus** amount C1) ______ ► ______ D1

Subtotal (amount A1 **minus** amount D1) (if negative, enter "0") 569,936 ► 569,936 E1

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**
569,936					569,936

Taxable income after specified future tax consequences . . . . ______ F1

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ G1

Aggregate investment income (line 440 of the T2 return) . . . . ______ H1

Subtotal (amount G1 **plus** amount H1) ______ ► ______ I1

Subtotal (amount F1 **minus** amount I1) (if negative, enter "0") ______ ► ______ J1

Subtotal (amount E1 **minus** amount J1) (if negative, enter "0") 569,936 K1

GRIP adjustment for specified future tax consequences to the first previous tax year
(amount K1 **multiplied** by 0.72) **500** 410,354

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Second previous tax year 2021-12-31

Taxable income before specified future tax consequences from the current tax year 192,747 A2

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least B2

Aggregate investment income (line 440 of the T2 return) C2

Subtotal (amount B2 **plus** amount C2) ▶ D2

Subtotal (amount A2 **minus** amount D2) (if negative, enter "0") 192,747 ▶ 192,747 E2

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**
192,747					192,747

Taxable income after specified future tax consequences F2

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least G2

Aggregate investment income (line 440 of the T2 return) H2

Subtotal (amount G2 **plus** amount H2) ▶ I2

Subtotal (amount F2 **minus** amount I2) (if negative, enter "0") ▶ J2

Subtotal (amount E2 **minus** amount J2) (if negative, enter "0") 192,747 K2

GRIP adjustment for specified future tax consequences to the second previous tax year
(amount K2 **multiplied** by 0.72) **520** 138,778

Part 2 – GRIP adjustment for specified future tax consequences to previous tax years (continued)

Third previous tax year 2020-12-31

Taxable income before specified future tax consequences from the current tax year . . . . ______ A3

Enter the following amounts before specified future tax consequences from the current tax year:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ B3

Aggregate investment income (line 440 of the T2 return) . . . . ______ C3

Subtotal (amount B3 **plus** amount C3) ______ ▶ ______ D3

Subtotal (amount A3 **minus** amount D3) (if negative, enter "0") ______ ▶ ______ E3

Future tax consequences that occur for the current year Amount carried back from the current year to a prior year					
Non-capital loss carry-back (paragraph 111 (1)(a) ITA)	**Capital loss carry-back**	**Restricted farm loss carry-back**	**Farm loss carry-back**	**Other**	**Total carrybacks**

Taxable income after specified future tax consequences . . . . ______ F3

Enter the following amounts after specified future tax consequences:

Amount on line 400, 405, 410, or 428 of the T2 return, whichever is the least . . . . ______ G3

Aggregate investment income (line 440 of the T2 return) . . . . ______ H3

Subtotal (amount G3 **plus** amount H3) ______ ▶ ______ I3

Subtotal (amount F3 **minus** amount I3) (if negative, enter "0") ______ ▶ ______ J3

Subtotal (amount E3 **minus** amount J3) (if negative, enter "0") ______ K3

GRIP adjustment for specified future tax consequences to the third previous tax year
(amount K3 **multiplied by** 0.72) . . . . **540** ______

Total GRIP adjustment for specified future tax consequences to previous tax years:
(**add** lines 500, 520, and 540) (if negative, enter "0") 549,132 L3

Enter amount L3 on line 560

Part 3 – Worksheet to calculate the GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year)

nb. 1 Post amalgamation . . . ☐ Post wind-up . . . . . . ☐

- Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary corporation was a CCPC or a DIC in its last tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.
- Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.
- Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.
- In the calculation below, **corporation** means a predecessor or a subsidiary. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was a CCPC or a DIC in its last tax year. Keep a copy of this calculation for your records, in case we ask to see it later.

Corporation's GRIP at the end of its last tax year				A4
Eligible dividends paid by the corporation in its last tax year		B4		
Excessive eligible dividend designations made by the corporation in its last tax year		C4		
Subtotal (amount B4 **minus** amount C4)		▶		D4
GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was a CCPC or a DIC in its last tax year) (amount A4 **minus** amount D4)				E4

After you complete this calculation for each predecessor and each subsidiary, calculate the total of all the E4 amounts. Enter this total amount on:

– line 230 for post-amalgamation; or
– line 240 for post-wind-up.

Part 4 – Worksheet to calculate the GRIP addition post-amalgamation, post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC

nb. 1 Corporation becoming a CCPC . . . . . ☐ Post amalgamation . . . . ☐ Post wind-up . . . . ☐

- Complete this part when there has been an amalgamation (within the meaning assigned by subsection 87(1)) or a wind-up (to which subsection 88(1) applies) and the predecessor or subsidiary was not a CCPC or a DIC in its last tax year, or when a corporation has become a CCPC since the end of its previous tax year. The last tax year for a predecessor corporation was its tax year that ended immediately before the amalgamation and for a subsidiary corporation was its tax year during which its assets were distributed to the parent on the wind-up.
- Calculate the GRIP addition of a successor corporation following an amalgamation at the end of its first tax year.
- Calculate the GRIP addition of a parent corporation upon wind-up at the end of the tax year that ends immediately after the tax year in which the parent has received the assets of the subsidiary.
- Calculate the GRIP addition of a corporation that became a CCPC since the end of its previous tax year.
- In the calculation below, **corporation** means a predecessor or a subsidiary, or a corporation that became a CCPC since the end of its previous tax year. Complete a separate worksheet for **each** predecessor and **each** subsidiary that was not a CCPC or a DIC in its last year. Keep a copy of this calculation for your records, in case we ask to see it later.

Cost amount to the corporation of all property immediately before the end of its previous/last tax year . . . . ______ A5

The corporation's money on hand immediately before the end of its previous/last tax year . . . . ______ B5

Total of subsection 111(1) losses that would have been deductible in calculating the corporation's taxable income for the previous/last tax year if the corporation had had unlimited income from each business carried on and each property held and had realized an unlimited amount of capital gains for the previous/last tax year:

Non-capital losses . . . . ______ C5
Net capital losses . . . . ______ D5
Farm losses . . . . ______ E5
Restricted farm losses . . . . ______ F5
Limited partnership losses . . . . ______ G5

Subtotal (**add** amounts C5 to G5) ______ ► ______ H5

Total of all amounts deducted under subsection 111(1) in calculating the corporation's taxable income for the previous/last tax year:

Non-capital losses . . . . ______ I5
Net capital losses . . . . ______ J5
Farm losses . . . . ______ K5
Restricted farm losses . . . . ______ L5
Limited partnership losses . . . . ______ M5

Subtotal (**add** amounts I5 to M5) ______ ► ______ N5

Unused and unexpired losses at the end of the corporation's previous/last tax year (amount H5 **minus** amount N5) ______ ► ______ O5

Subtotal (**add** amounts A5, B5, and O5) ______ P5

All the corporation's debts and other obligations to pay that were outstanding immediately before the end of its previous/last tax year . . . . ______ Q5

Paid-up capital of all the corporation's issued and outstanding shares of capital stock immediately before the end of its previous/last tax year . . . . ______ R5

All the corporation's reserves deducted in its previous/last tax year . . . . ______ S5

The corporation's capital dividend account immediately before the end of its previous/last tax year . . . . ______ T5

The corporation's low rate income pool immediately before the end of its previous/last tax year . . . . ______ U5

Subtotal (**add** amounts Q5 to U5) ______ ► ______ V5

GRIP addition post-amalgamation or post-wind-up (predecessor or subsidiary was not a CCPC or a DIC in its last tax year), or the corporation is becoming a CCPC (amount P5 **minus** amount V5) (if negative, enter "0") . . . . ______ W5

After you complete this worksheet for each predecessor and each subsidiary, calculate the total of all the W5 amounts. Enter this total amount on:

- line 220 for a corporation becoming a CCPC;
- line 230 for post-amalgamation; or
- line 240 for post-wind-up.

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Schedule 55

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name	Business number	Tax year-end Year Month Day
Oshawa PUC Networks Inc.	89172 5210 RC0001	2023-12-31

Do not use this area

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

Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year **not included** in Schedule 3					
Taxable dividends paid in the tax year **included** in Schedule 3		1,100,000			
Total taxable dividends paid in the tax year	100	1,100,000			
Total eligible dividends paid in the tax year			150	1,100,000	
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")			160	12,711,176	
Excessive eligible dividend designation (line 150 **minus** line 160)					A
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *			180		
Subtotal (amount A **minus** line 180)					B
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount B **multiplied** by 20 %)			190		

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

Part 2 – Other corporations

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

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

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

Corporate Taxpayer Summary

Corporate information

Corporation's name: Oshawa PUC Networks Inc.

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

Jurisdiction: Ontario

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

Corporation is associated: Y

Corporation is related: Y

Number of associated corporations: 1

Type of corporation: Canadian-Controlled Private Corporation

Total amount due (refund) federal and provincial*: -264,681

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

Summary of federal information

Net income		-1,009,080
Taxable income		
Donations		500
Calculation of income from an active business carried on in Canada		
Dividends paid		1,100,000
Dividends paid – Regular		
Dividends paid – Eligible	1,100,000	
Balance of the low rate income pool at the end of the previous year		
Balance of the low rate income pool at the end of the year		
Balance of the general rate income pool at the end of the previous year		15,060,308
Balance of the general rate income pool at the end of the year		12,711,176
Part I tax (base amount)		

Credits against Part I tax		Summary of tax		Refunds/credits	
Small business deduction		Part I		ITC refund	
M&P deductions		Part IV		Dividends refund:	
Foreign tax credit		Part III.1		– Eligible dividends	
Investment tax credits		Other*		– Non-eligible dividends	
Abatement/Other*		Provincial or territorial tax		Instalments	264,681
				Other*	
				Balance due/refund (–)	-264,681

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

Summary of federal carryforward/carryback information

Carryback amounts

Non-capital losses	762,683

Carryforward balances

Charitable donations	500
Investment tax credits	15,912
Non-capital losses	246,397
Financial statement reserve	12,814,714

Summary of provincial information – provincial income tax payable

	Ontario	Québec (CO-17)	Alberta (AT1)
Net income	-1,009,080		
Taxable income			
% Allocation	100.00		
Attributed taxable income			
Tax payable before deduction*			
Deductions and credits			
Net tax payable			
Attributed taxable capital	N/A		N/A
Capital tax payable**	N/A		N/A
Total tax payable***			
Instalments and refundable credits			
Balance due/Refund (-)			

Logging Operations Return (COZ-1179)

	Ontario	Québec (CO-17)	Alberta (AT1)
Logging tax payable	N/A		N/A

* For Québec, this includes special taxes.

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

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

Summary of provincial carryforward amounts

Other carryforward amounts

Ontario

Corporate minimum tax credit that can be carried forward over 20 years – Schedule 510 324,935

Summary – taxable capital

Federal

Corporate name	Taxable capital used to calculate the business limit reduction (T2, line 415)	Taxable capital used to calculate the SR&ED expenditure limit for a CCPC (Schedules 31 and 49)	Taxable capital used to calculate line 233 of the T2 return	Taxable capital used to calculate line 234 of the T2 return	Taxable capital used to calculate line 120 in Schedule 65
Oshawa PUC Networks Inc.	165,259,976	165,259,976	79,452,714	79,452,714	
Oshawa Power and Utilities Corporation and Associated Coı	15,000,000	15,000,000	50,000,000	50,000,000	
Total	180,259,976	180,259,976	129,452,714	129,452,714	

Québec

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

Ontario

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

Alberta

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

Other provinces

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

Five-Year Comparative Summary

Federal information (T2)

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Taxation year end	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**	**2019-12-31**
Net income	-1,009,080	572,861	197,847	-1,270,411	2,444,620
Taxable income		569,936	192,747		2,440,620
Active business income		572,861	197,847		2,444,620
Dividends paid	1,100,000	1,800,000	1,912,000	2,289,000	2,500,000
Dividends paid – Regular					
Dividends paid – Eligible	1,100,000	1,800,000	1,912,000	2,289,000	2,500,000
LRIP – end of the previous year					
LRIP – end of the year					
GRIP – end of the previous year	15,060,308	16,561,954	18,712,176	22,126,872	20,369,626
GRIP – end of the year	12,711,176	15,060,308	16,561,954	18,712,176	22,126,872
Donations	500	2,925	2,350	2,750	4,000
Balance due/refund (-)	-264,681	-260,366	-354,374	-266,795	-984,736
Line 996 – Amended tax return	☐	☐	☐	☐	☐

Loss carrybacks requested in prior years to reduce taxable income

Taxation year end	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**	**2019-12-31**
Taxable income before loss carrybacks	N/A	N/A	192,747		2,440,620
Non-capital losses	N/A	N/A			1,270,411
Net capital losses (50%)	N/A	N/A			
Restricted farm losses	N/A	N/A			
Farm losses	N/A	N/A			
Listed personal property losses (50%)	N/A	N/A			
Total loss carried back to prior years	N/A	N/A			1,270,411
Adjusted taxable income after loss carrybacks	N/A	N/A	192,747		1,170,209

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

Taxation year end	**2023-12-31**	**2022-12-31**	**2021-12-31**	**2020-12-31**	**2019-12-31**
Adjusted taxable income before current year loss carrybacks*	N/A	569,936	192,747		N/A
Non-capital losses	N/A	569,936	192,747		N/A
Net capital losses (50%)	N/A				N/A
Restricted farm losses	N/A				N/A
Farm losses	N/A				N/A
Listed personal property losses (50%)	N/A				N/A
Total current year losses carried back to prior years	N/A	569,936	192,747		N/A
Adjusted taxable income after loss carrybacks	N/A				N/A

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

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

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

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

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

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

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

Federal taxes

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Part I		20,934			273,893
Part IV					
Part III.1					
Other*					

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

Credits against Part I tax

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Small business deduction					
M&P deductions					
Foreign tax credit					
Investment tax credit		64,556	28,912		92,200
Abatement/other*		131,086	44,332		561,343

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

Refunds/credits

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
ITC refund					
Dividend refund					
– Eligible dividends					
– Non-eligible dividends					
Instalments	264,681	402,953	474,992	356,283	1,489,721
Other*					

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

Ontario

Taxation year end	2023-12-31	2022-12-31	2021-12-31	2020-12-31	2019-12-31
Net income	-1,009,080	572,861	197,847	-1,270,411	2,444,620
Taxable income		569,936	192,747		2,440,620
% Allocation	100.00	100.00	100.00	100.00	100.00
Attributed taxable income		569,936	192,747		2,440,620
Surtax					
Income tax payable before deduction		65,543	22,166		280,671
Income tax deductions /credits		8,266	22,166		20,570
Net income tax payable		57,277			260,101
Taxable capital					
Capital tax payable					
Total tax payable*		141,075	136,809	104,328	260,101
Instalments and refundable credits		19,422	16,191	14,840	29,009
Balance due/refund**		121,653	120,618	89,488	231,092

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

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

Attached Notes – Summary

Name of the cell Corporation's salaries and wages paid in the previous tax year Form ON Sch. 550 - Co-operative education tax credit

FS Note 18

jrajaratnam - 2024-06-25 Keep this note when rolling forward the file

Attachment 6 – 3

2023 Audited Financial Statements (April 2024)

Financial statements of

OSHAWA PUC NETWORKS INC.

And Independent Auditor's Report thereon

Year ended December 31, 2023

KPMG LLP
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Vaughan ON L4K 0J3
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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Oshawa PUC Networks Inc.

Opinion

We have audited the financial statements of Oshawa PUC Networks Inc. (the Entity), which comprise:

- the balance sheet as at December 31, 2023
- the statement of comprehensive income for the year then ended
- the statement of changes in shareholder's equity for the year then ended
- the statement of cash flows for the year then ended

and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
Vaughan, Canada

April 29, 2024

OSHAWA PUC NETWORKS INC.

Balance Sheet
(In thousands of dollars)

December 31, 2023, with comparative information for 2022

	2023	2022
Assets and Regulatory Balances		
Current assets:		
Cash (including customer deposits of $2,262; (2022 - $2,569)	$ 6,746	$ 9,447
Accounts receivable (notes 11 and 14)	14,249	9,658
Unbilled revenue	14,431	14,487
Inventory	203	178
Payments in lieu of corporate income taxes (note 6)	297	130
Prepaid expenses and other	707	761
Total current assets	36,633	34,661
Property, plant and equipment, net (note 2)	200,274	185,925
Intangible assets, net (note 3)	4,539	3,965
Right-of-use assets (note 12)	1,163	435
Unrealized gain on interest rate swaps (note 14)	3,691	–
Other assets	321	327
Total assets	246,621	225,313
Regulatory balances (note 4)	11,127	10,624
Total assets and regulatory balances	$ 257,748	$ 235,937
Liabilities, Regulatory Balances and Shareholder's Equity		
Current liabilities:		
Accounts payable for power - IESO (note 13)	$ 10,500	$ 11,868
Accounts payable and accrued liabilities	11,739	8,349
Due to affiliates (note 11)	4,898	5,029
Current portion of deferred contributions (note 5)	721	1,074
Customer advance payments	512	592
Current portion of lease liability (note 12)	327	144
Current portion of customer advance deposits	1,085	694
Total current liabilities	29,782	27,750
Notes payable to shareholder (note 8)	–	80,000
Long Term debt (note 9)	90,000	–
Asset retirement obligation	917	884
Customer advance deposits	1,750	1,977
Lease liability (note 12)	627	–
Deferred contributions (note 5)	44,850	42,141
Post-employment non-pension retirement benefits (note 7)	11,192	8,580
Deferred income tax liabilities (note 6)	6,397	3,034
Total liabilities	185,515	164,366
Regulatory balances (note 4)	3,969	11,178
Shareholder's equity:		
Capital stock (note 10)	23,064	23,064
Retained earnings	42,487	37,329
Accumulated other comprehensive gain (loss)	2,713	–
Total shareholder's equity	68,264	60,393
Commitment and contingencies (note 13)		
Total liabilities and shareholder's equity	$ 257,748	$ 235,937

See accompanying notes to financial statements. On behalf of the Board:

_______________ Director _______________ Director

OSHAWA PUC NETWORKS INC.

Statement of Comprehensive Income
(In thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Sale of electrical energy (note 17)	$ 134,200	$ 135,920
Distribution revenue (note 17)	29,026	27,226
Regulated service revenue	1,260	954
Amortization of developer contributions (note 5)	1,287	1,289
Service revenue	370	191
Other	212	38
	166,355	165,618
Expenses:		
Cost of electrical energy	135,397	140,514
Operations, maintenance and administrative (note 18)	15,652	14,206
Depreciation - property, plant and equipment, intangible assets and right-of-use assets	8,294	8,109
	159,343	162,829
Income from operations	7,012	2,789
Gain (Loss) on disposal of property, plant and equipment	60	(89)
Interest income	602	312
Interest expense (note 8)	(2,663)	(2,739)
Income before payments in lieu of corporate income taxes	5,011	273
Recovery for payments in lieu of corporate income taxes (note 6)	(165)	(96)
Net income	5,176	369
Net movements in regulatory balances, net of tax (note 4)	1,082	4,952
Net income after net movement in regulatory balances	6,258	5,321
Other comprehensive income:		
Unrealized loss in fair value of derivatives designated as cash flows, net of income taxes	(3,691)	–
Gain in fair value of derivatives designated as cash flow hedges, transferred to net income, net of income taxes	978	–
Remeasurement of post-employment benefits, net of income taxes	(2,721)	5,441
Net movements in regulatory balances related to other comprehensive income, net of income taxes	2,721	(5,441)
	(2,713)	–
Total comprehensive income	$ 3,545	$ 5,321

See accompanying notes to financial statements.

OSHAWA PUC NETWORKS INC.

Statement of Changes in Shareholder's Equity
(In thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	Capital stock	Retained earnings	Accumulated other comprehensive income	Total
Balance, January 1, 2022	$ 23,064	$ 33,808	$ –	$ 56,872
Net income after net movements in regulatory balances	–	5,321	–	5,321
Dividends paid	–	(1,800)	–	(1,800)
Balance, December 31, 2022	23,064	37,329	–	60,393
Net income after net movements in regulatory balances	–	6,258	–	6,258
Other comprehensive Income	–	–	2,713	2,713
Dividends paid	–	(1,100)	–	(1,100)
Balance, December 31, 2023	$ 23,064	$ 42,487	$ 2,713	$ 68,264

See accompanying notes to financial statements.

OSHAWA PUC NETWORKS INC.

Statement of Cash Flows
(In thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash flows provided by (used in):		
Operating activities:		
Net income after net movements in regulatory balances	$ 6,258	$ 5,321
Adjustments:		
Net movements in regulatory balances	(1,082)	(4,952)
Depreciation - property, plant and equipment, intangible assets and right-of-use leases	8,294	8,109
Amortization of developer contributions	(1,287)	(1,289)
Post-employment non-pension retirement benefits expense	479	567
Payments (provisions for) in lieu of corporate income taxes	(165)	(96)
Interest income	(602)	(312)
Interest expense	2,663	2,739
Loss (gain) on disposal of property, plant and equipment	(60)	89
Contribution received from developers	3,643	2,314
Post-employment non-pension retirement benefit payments	(588)	(529)
Payment against lease liability	(389)	(342)
Changes in working capital balances related to operations:		
Decrease (increase) in accounts receivable	(4,591)	1,305
Decrease (increase) in unbilled revenue	56	(146)
Decrease in other assets	6	116
Increase in inventory	(25)	(50)
Decrease (increase) in prepaid expenses	54	(173)
Increase in accounts payable and accrued liabilities and accounts payable for power - IESO	2,022	3,194
Increase in lease liability	1,175	–
Increase in asset retirement obligation	33	884
Increase in customer advance deposits	164	206
Decrease in customer advance payments	(80)	(400)
Decrease in due to affiliates	(131)	(67)
Change related to regulatory disposition balances	(1,521)	40
Cash provided by operating activities	14,326	16,528
Financing activities:		
Dividends paid	(1,100)	(1,800)
Proceeds from Loans	10,000	–
Interest paid on long term debt	(1,405)	–
Interest paid on notes payable to shareholder (note 8)	(1,537)	(2,634)
Cash provided (used in) by financing activities	5,958	(4,434)
Investing activities:		
Additions to property, plant and equipment and intangible assets	(23,727)	(16,809)
Interest income received	602	312
Proceeds from sale of property, plant and equipment	140	–
Cash used in investing activities	(22,985)	(16,497)
Decrease in cash	(2,701)	(4,403)
Cash, beginning of year	9,447	13,850
Cash, end of year	$ 6,746	$ 9,447

See accompanying notes to financial statements.

Oshawa PUC Networks Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on October 18, 2000. The incorporation was required in accordance with the provincial government's *Electricity Act*, 1998. The Corporation is a local distribution company ("LDC") that provides electricity distribution services to businesses and residences in the service area of Oshawa, Ontario.

The Corporation is a wholly owned subsidiary of Oshawa Power and Utilities Corporation, which is wholly owned by the Corporation of the City of Oshawa (the "City").

The Corporation has evaluated the events and transactions after the balance sheet date through to April 29, 2024, when the Corporation's Board of Directors approved and authorized the financial statements.

1. Material accounting policies:

The significant accounting policies used in the preparation of these financial statements have been applied consistently to all years presented herein.

(a) Basis of presentation:

The Corporation's financial statements have been prepared by management in accordance with IFRS Accounting Standards as adopted by the International Accounting Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, and reflects the significant accounting policies summarized below. Certain prior year figures have been reclassified to conform to the presentation of the current year.

(b) Rate setting and regulation:

The Ontario Energy Board ("OEB") has regulatory oversight of electricity matters in the Province of Ontario. The *Ontario Energy Board Act*, 1998 sets out the OEB's powers, including the issuance of distribution licenses that must be obtained by any person owning or operating a distribution system under the *Ontario Energy Board Act,* 1998. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and for ensuring that LDCs fulfil their obligations to connect and service customers.

1. Material accounting policies (continued):

In July 2020, the Corporation filed its Price Cap Incentive rate-setting application with the OEB seeking approval to change rates that it charges for electricity delivery, retail services, allowances, loss factor and specific services charges, for the five-year period commencing on January 1, 2021. This application requested a revenue requirement to recover costs, and provides a rate of return on a deemed capital structure applied to rate base assets. The OEB issued its decision and rate order on February 18, 2021 approving rates and charges effective February 1, 2021.

In subsequent years, the Corporation filed applications for annual rate increases under the Annual Incentive Rate applications. The OEB issued its decision and rate order on December 8, 2022 approving rates and charges effective January 1, 2023.

The OEB has the general authority to include or exclude costs and revenue in the rates of a specific period, resulting in a change in the timing of accounting recognition from that, which would have applied in an unregulated company under IFRS.

The following regulatory practices relating to regulatory balances, and payments in lieu of corporate income taxes, have resulted in accounting treatments that differ from IFRS for enterprises operating in a non-regulated environment.

(i) Regulatory Deferral Accounts:

IFRS 14, Regulatory Deferral Accounts, allows the Corporation to utilize pre-IFRS Canadian Generally Accepted Accounting Principles ("IFRS 14") with respect to the recognition of regulatory balances that address the deferral of specific non-income related cash inflows and outflows.

Regulatory debits primarily represent costs that have been deferred because it is probable that they will be recovered in future rates. Similarly, regulatory credits can arise from differences in amounts billed to customers for electricity services and the costs that the Corporation incurs to purchase and deliver these services. Certain costs and variance account balances are deemed to be regulatory balances and are reflected in the LDC's balance sheet until the manner and timing of disposition is determined by the OEB.

(ii) Payments in lieu of corporate income taxes ("PILs"):

The Corporation provides for PILs using the deferred income taxes method for its regulated activities as permitted by the IASB and the OEB.

1. Material accounting policies (continued):

(c) Inventory:

Inventory, which consists of parts and supplies acquired for internal maintenance or construction, is valued at the lower of cost and net realizable value, with cost being determined on a weighted average basis.

(d) Property, plant and equipment:

Items of property, plant and equipment ("PP&E") are measured at cost or deemed cost on transition date, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs on qualifying assets are capitalized as part of the cost of the asset and are based on OEB prescribed rates.

When parts of an item of PP&E have different useful lives, they are separately depreciated as components of PP&E.

Subsequent expenditures are included in an asset's carrying amount or recognized as a separate asset, where appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be reliably measured.

Under IFRS, an asset is derecognized at its carrying value when it is disposed of or when no future economic benefits are expected from its use. The gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the proceeds from sale and the carrying amount of the asset, and is recognized in the statement of comprehensive income.

Depreciation of PP&E is recorded in the statement of comprehensive income on a straight-line basis over the estimated useful lives of the components of PP&E. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting year, with the effect of any changes in estimates being accounted for on a prospective basis.

(In thousands of dollars)

1. Material accounting policies (continued):

Depreciation rates representing estimated useful lives for the main categories of PP&E are shown in the table below:

Buildings	1.61% - 2.38%
Transmission, distribution system and meters	1.67% - 10%
Equipment and furniture	5% - 20%
Computer hardware	25%
Vehicle fleet	8.33% - 12.50%

Construction in progress comprises property, plant and equipment under construction, property, plant and equipment not yet placed into service and pre-construction activities related to specific projects expected to be constructed. These assets are not depreciated until they are in the location and condition necessary for them to be capable of operating in the manner intended by the Corporation.

In the absence of rate regulation, overhead costs that are not directly attributable to construction activity are not capitalized.

(e) Intangible assets:

Intangible assets are assets that lack physical substance, other than financial assets. Intangible assets, which consist of computer software, deferred indefeasible right-of-use ("IRU") lease, and payments made to Hydro One Networks Inc. ("HONI") for dedicated infrastructure in order to receive connections to transmission facilities, are recorded at cost less accumulated amortization. Amortization of intangible assets is recorded on a straight-line basis over the estimated useful life of the related asset, or over the term of the IRU, and recorded in the statement of comprehensive income.

Amortization rates representing estimated useful lives for intangible assets are shown below:

Computer software	33.33%
IRU lease	20 years

1. Material accounting policies (continued):

(f) Provisions, Contingencies, and Asset retirement obligations:

The Company recognizes provisions if, as a result of a past event, there is a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The need to estimate the cost of decommissioning or asset retirement obligations ("AROs") at the end of the useful lives of certain assets, is reviewed periodically.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential gain or loss. Actual results could differ from these estimates.

The need to estimate the cost of decommissioning or asset retirement obligations ("AROs") at the end of the useful lives of certain assets, is reviewed periodically. A provision is recorded, if required, for the fair value of the future expenditures required to settle legal obligations associated with asset retirements. As at December 31, 2023, the Corporation recognized the obligation to decommission certain buildings located at 100 Simcoe Street South.

(g) Impairment of non-financial assets:

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

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

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in net income.

1. Material accounting policies (continued):

(h) Pension and other post-employment benefits:

The Corporation provides pension benefits for its employees through the Ontario Municipal Employees' Retirement System ("OMERS") Fund (the "OMERS Fund"), a multi-employer public sector pension fund. The OMERS Fund is a defined benefit pension plan, which is financed by equal contributions from participating employers and employees and by the investment earnings of the OMERS Fund. Although the plan is a defined benefit plan, sufficient information is not available to the Corporation to account for it as such because it is not possible to attribute the fund assets and liabilities between the various employers who contribute to the fund. Accordingly, contributions payable as a result of employee service are expensed when incurred as part of operating costs.

Employee future benefits, other than pensions provided by the Corporation, include supplemental health, dental and life insurance. These plans provide defined benefits to certain retired employees, their spouses and surviving spouses when the employees are no longer providing active service. Retiree benefits expense is recognized in the year during which the employees render services.

The liability for post-employment non-pension retirement benefits is recorded on an accrual basis. The Corporation actuarially determines the cost of post-employment benefits offered to employees and certain retirees, including their spouses and surviving spouses, using the projected benefit method, prorated on service and based on management's best estimates. Under this method, the projected post-retirement benefits are deemed to be earned on a pro rata basis over the employee's years of service in the attribution period commencing at the date of hire, and ending at the earliest age the employee could retire and qualify for benefits.

The current service cost for a year is equal to the actuarial present value of benefits attributed to employees' services rendered during the year. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

Current service costs are recognized in the statement of comprehensive income under operations, maintenance and administrative expenses.

1. Material accounting policies (continued):

The Corporation applies IFRS 14 to recognize all cumulative actuarial gains or losses in a deferral account as at January 1, 2014. Remeasurements arising from defined benefit plans are recognized immediately in other comprehensive income ("OCI") and reported in accumulated other comprehensive income. Amounts recorded in OCI are not recycled to the statement of comprehensive income. The Corporation, as permitted by the OEB, created a deferral account to capture all actuarial gains and losses going forward. The disposition of this deferral account will occur sometime in the future in accordance with OEB guidelines in effect at that appropriate time.

(i) Customer advance deposits:

Customer advance deposits represent cash collections from customers that are available to offset the payment of energy bills or other services. Customers may be required to post security to obtain electricity or other services. Where the security posted is in the form of cash or cash equivalents, these amounts are recorded in the accounts as securities held in respect of customer deposits. Interest is paid on customer balances at rates established by the Corporation in accordance with OEB guidelines.

(j) Customer advance payments:

Customer advance payments consist of both the Equal Payment Plan and customer advance payments.

(k) Deferred contributions:

Certain assets may be acquired or constructed with financial assistance in the form of contributions from customers when the estimated revenue is less than the cost of providing service or where special equipment is needed to supply the customers' specific requirements.

1. Material accounting policies (continued):

Capital contributions received in advance from electricity customers and developers to construct or acquire PP&E for the purpose of connecting a customer to a network are recorded as deferred revenue and amortized into other revenue at an equivalent rate to that used for the depreciation of the related PP&E. Capital contributions received from developers to construct or acquire PP&E for the purpose of connecting future customers to the distribution network are considered out of scope of IFRS 15, Revenue from Contracts with Customers.

Deposits received from developers prior to construction are held by the Corporation during the work in progress phase of the project and settled once all assets are in service.

(l) Financial instruments:

(i) Initial and subsequent measurement:

At initial recognition, all financial instruments are measured at fair value plus or minus transaction costs, with the exception of accounts receivable which are initially recognized at the transaction price and financial instruments fair value through profit or loss which are initially recognized at fair value.

Financial assets are subsequently measured at either amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL") based on the cash flow characteristics of the assets and the business models under which they are managed. All of the Corporation's financial assets are held for collection of contractual cash flows that represent payments of principal and interest and, accordingly, are subsequently measured at amortized cost using the effective interest rate method. These include cash, restricted cash, and accounts receivable.

Financial liabilities are either subsequently measured at FVTPL or amortized cost, except for interest rate swaps used in hedge accounting. The Corporation's financial liabilities measured at amortized cost include accounts payable for power – Independent Electricity System Operator ("IESO"), accounts payable and accrued liabilities, long-term debt, and customer advance deposits.

1. Material accounting policies (continued):

(ii) Impairment:

The Corporation recognizes an allowance for expected credit losses ("ECL") for all financial assets not held at FVTPL. The Corporation applies the simplified approach to its accounts receivable which requires expected lifetime losses to be recognized from initial recognition of the receivables and on an ongoing basis. The measurement of ECL for accounts receivable is based on management's judgment. This is determined using a provision matrix based on historical observed default rates, adjusted for forward-looking factors specific to the debtors and the economic environment. For financial assets other than accounts receivable, ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default. The Corporation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is derecognized when there is no reasonable expectation of recovering the contractual cash flows.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the asset. All impairment losses are recognized in net income.

(iii) Derivative financial instruments and hedge accounting:

Derivative financial instruments in the form of interest rate swap contracts are used to manage exposure to fluctuations in interest rates on the Corporation's long-term debt, which are designated as cash flow hedges as it is hedging the exposure to variability in cash flows that is attributable to interest rate risk associated with the long-term debt. The Corporation does not enter into derivative agreements for speculative purposes.

1. Material accounting policies (continued):

At the inception of a hedging relationship, the Corporation designates and formally documents the relationship between the hedging instrument and the hedged item, the risk management objective, and its strategy for undertaking the hedge. The Corporation also assesses on an on-going basis whether the hedge continues to be effective, including that the hedge ratio remains appropriate.

The interest rate swaps are measured at their fair value upon initial recognition and on each subsequent reporting date. When the cash flow hedge meets all the qualifying criteria for hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income ("OCI"), while any ineffective portion is recognized immediately in net income. The amount accumulated in OCI is reclassified to net income as a reclassification adjustment in the same period or periods during which the hedged cash flows affect net income, and recorded within interest expense.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to net income as a reclassification adjustment.

(m) Leases:

As a lessee, the Corporation leases its office premises with the City, as well as IT office equipment.

Under IFRS 16 *Leases* ("IFRS 16"), the Corporation recognizes right-of-use assets and lease liabilities for all of these leases. The Corporation has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

1. Material accounting policies (continued):

(n) Revenue recognition:

The Corporation has identified that its material performance obligation is the distribution and provision of electricity to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding any discounts, rebates and sales taxes. The Corporation has determined that it acts as a principal in all of its revenue arrangements.

The Corporation is licensed by the OEB to distribute electricity. As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity services, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to the regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers. The Corporation has determined that they are acting as a principal for the distribution of electricity and, therefore, have presented the sale of electrical energy revenue on a gross basis.

Distribution revenue for the Corporation is recognized at approved rates, as electricity is delivered to customers and is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used.

Distribution revenue attributable to the delivery of electricity is based upon OEB-approved distribution tariff rates and includes the amounts billed to customers for electricity, including the cost of electricity supplied, distribution charges and any regulatory charges. Revenue is recognized as electricity is delivered and consumed by customers. Revenue includes an estimate of unbilled revenue. Unbilled revenue represents an estimate of electricity consumed by customers since the date of each customer's last meter reading. Actual electricity usage could differ from those estimates.

Regulated service revenue represents charges to energy customers for services such as late payments, collection fees, account set-up fees, pole attachment charges, and reconnect and disconnect charges. Regulated service revenue is recognized as services are rendered.

Service revenue primarily includes duct rental revenue that is recognized as services are rendered and time expires.

1. Material accounting policies (continued):

Capital contributions received from electricity customers to construct or acquire PP&E for the purpose of connecting a customer to a network, are recorded as a deferred contribution on the balance sheet and amortization is presented as revenue from deferred contributions on the statement of comprehensive income at an equivalent rate to that used for the depreciation of the related PP&E.

Other revenue and interest are recognized as services are rendered, projects completed or when interest is earned. Revenue and costs associated with Conservation and Demand Management ("CDM") programs are presented using the net basis of accounting within other revenue. Performance incentive payments under CDM programs are recognized by the Corporation when there is reasonable assurance that the program conditions have been satisfied and the incentive payments will be received.

(o) PILs:

Under the *Electricity Act*, 1998, and effective October 1, 2001, the Corporation incurs PILs that are remitted to the Ministry of Finance. These payments are calculated in accordance with the rules for computing income and taxable capital, and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario) as modified by the *Electricity Act*, 1998 and related regulations. Payments remitted to Ontario Electricity Financial Corporation are designated to be applied against the stranded debt of Ontario Power Generation, formerly Ontario Hydro.

The Corporation recognizes deferred income taxes using the balance sheet method. Under this method, provisions are made for deferred income taxes as a result of temporary differences between the tax bases of assets and liabilities and their carrying amounts for accounting purposes. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. When deferred income taxes become payable, it is expected that they will be included in the rates approved by the OEB and recovered from the customers of the Corporation at that time. Deferred income tax assets and liabilities are offset since they relate to income taxes levied by the same taxation authority.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

1. Material accounting policies (continued):

The OEB's Electricity Distribution Rate Handbook provides for the recovery of PILs by LDCs through annual distribution rate adjustments as permitted by the OEB.

The method that has been used to set the PILs portion of the Corporation's rates for 2023 is consistent with the approach used in past periods.

Current income taxes are based on taxable profit or loss for the year, which differ from profit or loss as reported in the statement of comprehensive income because it excludes items that are taxable or deductible in other years and items that are neither taxable nor deductible.

(p) Measurement uncertainty:

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting year. Certain estimates are necessary since the regulatory environment in which the Corporation operates requires amounts to be recorded at estimated values until finalization and adjustment pursuant to subsequent regulatory decisions or other regulatory proceedings. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates, including changes as a result of future decisions made by the OEB, the Ministry of Energy and Infrastructure or the Ministry of Finance.

Estimation uncertainty may exist in the following financial notes:

(i) Note 7 - measurement of post-employment non-pension retirement benefits: key actuarial assumptions; and

(ii) Note 14 - ECL.

Management uses judgment in the following:

(iii) Note 2 and note 3 - estimation of useful lives of PP&E and intangible assets;

(iv) Note 4 and note 6 - recognition and measurement of regulatory balances; and

(v) Note 13 - recognition and measureme,nt of commitments and contingencies.

1. Material accounting policies (continued):

(q) Future accounting policies:

At the date of authorization of these financial statements, certain new standards and amendments to existing standards have been published but are not yet effective, and have not been early adopted by the Corporation. Information on new standards and amendments that are expected to be relevant to the Corporation's financial statements is provided below. Management is currently assessing the financial statement impact of adopting the following amendments to existing accounting standards for future reporting.

(a) Effective January 1, 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current Liabilities with Covenants (Amendments to IAS 1).

(In thousands of dollars)

2. Property, plant and equipment:

Property, plant and equipment consist of the following as at December 31, 2023:

	January 1, 2023	Additions/ depreciation	Disposals/ retirements	December 31, 2023
Cost				
Transmission and distribution:				
Transformers	$ 67,609	$ 4,742	$ (850)	$ 71,501
Underground distribution	68,909	4,123	–	73,032
Poles, towers and fixtures	65,010	4,390	(218)	69,182
Station equipment	28,360	–	–	28,360
Overhead distribution	30,159	5,551	(430)	35,280
Meters	16,349	735	(11)	17,073
	276,396	19,541	(1,509)	294,428
Construction in progress	8,780	389	–	9,169
Other property, plant and equipment:				
Vehicle fleet	5,967	768	(556)	6,179
Equipment and furniture	10,892	851	–	11,743
Computer hardware	4,316	337	–	4,653
Buildings	5,847	–	–	5,847
Land	294	–	–	294
	27,316	1,956	(556)	28,716
Total cost	$ 312,492	$ 21,886	$ (2,065)	$ 332,313
Accumulated depreciation				
Transmission and distribution:				
Transformers	$ 34,346	$ 1,236	$ (824)	$ 34,758
Underground distribution	25,503	1,712	–	27,215
Poles, towers and fixtures	18,003	1,287	(193)	19,097
Station equipment	11,281	622	–	11,903
Overhead distribution	9,561	483	(407)	9,637
Meters	10,030	500	(5)	10,525
	108,724	5,840	(1,429)	113,135
Other property, plant and equipment:				
Vehicle fleet	4,168	271	(556)	3,883
Equipment and furniture	9,360	916	–	10,276
Computer hardware	3,375	344	–	3,719
Buildings	940	86	–	1,026
	17,843	1,617	(556)	18,904
Total accumulated depreciation	$ 126,567	$ 7,457	$ (1,985)	$ 132,039
Carrying amount	$ 185,925	$ 14,429	$ (80)	$ 200,274

(In thousands of dollars)

2. Property, plant and equipment (continued):

Property, plant and equipment consist of the following as at December 31, 2022:

	January 1, 2022	Additions/ depreciation	Disposals/ retirements	December 31, 2022
Cost				
Transmission and distribution:				
Transformers	$ 66,679	$ 1,715	$ (785)	$ 67,609
Underground distribution	63,236	5,673	–	68,909
Poles, towers and fixtures	64,464	730	(184)	65,010
Station equipment	28,236	124	–	28,360
Overhead distribution	27,966	2,537	(344)	30,159
Meters	15,728	634	(13)	16,349
	266,309	11,413	(1,326)	276,396
Construction in progress	5,560	3,220	–	8,780
Other property, plant and equipment:				
Vehicle fleet	5,529	438	–	5,967
Equipment and furniture	10,522	370	–	10,892
Computer hardware	3,767	549	–	4,316
Buildings	5,810	37	–	5,847
Land	294	–	–	294
	25,922	1,394	–	27,316
Total cost	$ 297,791	$ 16,027	$ (1,326)	$ 312,492
Accumulated depreciation				
Transmission and distribution:				
Transformers	$ 33,918	$ 1,180	$ (752)	$ 34,346
Underground distribution	23,908	1,595	–	25,503
Poles, towers and fixtures	16,947	1,228	(172)	18,003
Station equipment	10,617	670	(6)	11,281
Overhead distribution	9,439	429	(307)	9,561
Meters	9,544	486	–	10,030
	104,373	5,588	(1,237)	108,724
Other property, plant and equipment:				
Vehicle fleet	3,900	268	–	4,168
Equipment and furniture	8,647	713	–	9,360
Computer hardware	3,100	275	–	3,375
Buildings	832	108	–	940
	16,479	1,364	–	17,843
Total accumulated depreciation	$ 120,852	$ 6,952	$ (1,237)	$ 126,567
Carrying amount	$ 176,939	$ 9,075	$ (89)	$ 185,925

(In thousands of dollars)

2. Property, plant and equipment (continued):

For the year ended December 31, 2023, ascribed interest capitalized to property, plant and equipment as prescribed by the OEB amounted to $298 (2022 - $109). In the absence of rate regulation, additions to property, plant and equipment would have been $298 lower (2022 - $109 lower) and interest expense would have been $298 higher (2022 - $109 higher).

3. Intangible assets:

	January 1, 2023	Additions/ amortization	Disposals/ retirements	December 31, 2023
Cost				
Deferred IRU lease	$ 606	$ –	$ –	$ 606
Computer software	2,817	998	–	3,815
HONI contribution	4,174	7	–	4,181
	$ 7,597	$ 1,005	$ –	$ 8,602
Accumulated depreciation				
Deferred IRU lease	$ 433	$ 31	$ –	$ 464
Computer software	2,600	240	–	2,840
HONI contribution	599	160	–	759
	$ 3,632	$ 431	$ –	$ 4,063
Carrying amount	$ 3,965	$ 574	$ –	$ 4,539

(In thousands of dollars)

3. Intangible assets (continued):

	January 1, 2022	Additions/ amortization	Disposals/ retirements	December 31, 2022
Cost				
Deferred IRU lease	$ 606	$ –	$ –	$ 606
Computer software	2,790	27	–	2,817
HONI contribution	4,135	39	–	4,174
	$ 7,531	$ 66	$ –	$ 7,597
Accumulated depreciation				
Deferred IRU lease	$ 403	$ 30	$ –	$ 433
Computer software	2,428	172	–	2,600
HONI contribution	413	186	–	599
	$ 3,244	$ 388	$ –	$ 3,632
Carrying amount	$ 4,287	$ (322)	$ –	$ 3,965

4. Regulatory balances:

Regulatory debits balances consist of the following:

	January 1, 2023	Balances arising in the year	Recovery/ reversal	December 31, 2023
Regulatory debit balances:				
Retail settlement variance - power	$ –	$ (3,584)	$ 4,053	$ 469
Retail settlement variance - other	7,465	314	(2,540)	5,239
Deferred income taxes	3,034	2,385	–	5,419
Post-employment benefits deferral	–	–	–	–
Regulatory debit balances - other	125	(125)	–	–
Total	$ 10,624	$ (1,010)	$ 1,513	$ 11,127

(In thousands of dollars)

4. Regulatory balances (continued):

	January 1, 2022	Balances arising in the year	Recovery/ reversal	December 31, 2022
Regulatory debit balances:				
Retail settlement variance - other	$ 2,502	$ 4,963	$ –	$ 7,465
Deferred income taxes	1,802	1,232	–	3,034
Post-employment benefits deferral	1,098	(1,098)	–	–
Regulatory debit balances - other	28	97	–	125
Total	$ 5,430	$ 5,194	$ –	$ 10,624

Regulatory credit balances consist of the following:

	January 1, 2023	Balances arising in the year	Recovery/ reversal	December 31, 2023
Regulatory credit balances:				
Retail settlement variance - power	$ 4,161	$ (4,161)	$ –	$ –
Retail settlement variance - global adjustment	1,338	(647)	(676)	15
Regulatory Asset Recovery Account ("RARA")	538	2,434	(1,441)	1,531
Post-employment benefits deferral	4,343	(2,721)	–	1,622
Regulatory credit balances - other	798	136	(133)	801
Total	$ 11,178	$ (4,959)	$ (2,250)	$ 3,969

(In thousands of dollars)

4. Regulatory balances (continued):

	January 1, 2022	Balances arising in the year	Recovery/ reversal	December 31, 2022
Regulatory credit balances:				
Retail settlement variance - power	$ 4,707	$ (546)	$ –	$ 4,161
Retail settlement variance - global adjustment	466	872	–	1,338
Regulatory Asset Recovery Account ("RARA")	487	11	40	538
Post-employment benefits deferral	–	4,343	–	4,343
Regulatory credit balances - other	918	(120)	–	798
Total	$ 6,578	$ 4,560	$ 40	$ 11,178

The "Balances arising in the year" column consists of new additions to regulatory balances (for both debits and credits). The "Recovery/reversal" column consists of amounts disposed through OEB-approved rate riders or transactions reversing an existing regulatory balance. Net movements in regulatory balances, net of tax, is $1,082 (2021 - $4,952).

The regulatory balances of the Corporation consist of the following:

(a) Retail settlement variances:

The retail settlement variances relate to charges the Corporation has incurred for transmission services, generation and wholesale market operations from the IESO, that were not settled with customers during the year through approved rates. The nature of the settlement variances is such that the balance can fluctuate between debit and credit over time and are reported at year-end dates in accordance with rules prescribed by the OEB. Under rate regulation, the variances that would be recorded as revenue or expense when incurred under IFRS are deferred until collected or repaid through future rates. The Corporation has accrued interest on the regulatory debit or credit balances, as directed by the OEB.

4. Regulatory balances (continued):

On December 8, 2022, the Corporation received approval from the OEB for the disposition of certain regulatory account balances. The disposition is to be adjusted through customer rates over two years, with the remaining $1,273 expected to be recognized in 2024. On December 14, 2023, the Corporation received approval from the OEB for the disposition of certain regulatory account balances. The disposition is to be adjusted through customer rates over one year with ($3,662) expected to be recognized in 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(i) Retail settlement variance - power:

The retail settlement variance – power account is established for the purpose of recording the net difference in energy cost only. Net difference refers to the difference between the amount charged by the IESO on the settlement invoice for the energy cost and the amount billed to customers for the energy cost.

On December 8, 2022, the Corporation received approval for the disposition of the December 31, 2021 balance in its 2023 rate application to the OEB. Settlement will occur over a 24-month period commencing on January 1, 2023. On December 14, 2023, the Corporation received approval for the disposition of the December 31, 2022 balance in its 2024 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(ii) Retail settlement variance - global adjustment:

The global adjustment variance account is established for the purpose of recording the net difference in the global adjustment attributable to customers. Net difference refers to the difference between the amount charged or credited by the IESO for the global adjustment, and the amount billed to customers for the global adjustment.

The global adjustment arises mainly due to a difference between the spot price charged by the IESO to market participants and the blended price paid by the IESO under the various contracts with electricity generators and suppliers.

4. Regulatory balances (continued):

On December 8, 2022, the Corporation received approval for the disposition of the December 31, 2021 balance in its 2023 rate application to the OEB. Settlement will occur over a 24-month period commencing on January 1, 2023. On December 14, 2023, the Corporation received approval for the disposition of the December 31, 2022 balance in its 2024 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(ii) Retail settlement variances - other:

This item refers to a set of accounts that will separately capture information relating to wholesale market service charges, non-recurring wholesale market service charges, retail transmission network service charges and retail transmission connection service charges. Retail settlement variances – other, is used to record the net difference between the amount paid in the month to the IESO for the services listed above and the amount billed to customers and retailers in the month based on OEB approved rates.

On December 8, 2022, the Corporation received approval for the disposition of the December 31, 2021 balance in its 2023 rate application to the OEB. Settlement will occur over a 24-month period commencing on January 1, 2023. On December 14, 2023, the Corporation received approval for the disposition of the December 31, 2022 balance in its 2024 rate application to the OEB. Settlement will occur over a 12-month period commencing on January 1, 2024. The remaining deferral balances are expected to be approved for disposition in future periods.

(b) RARA:

Effective May 2006, the RARA was approved by the OEB. This account is used to record the disposition of deferral and variance account balances, by means of a rate rider, for which approval to recover (or refund) has been granted by the OEB as part of the regulatory process. The balance remaining as at December 31, 2023 represents the opening balance approved for recovery, amounts collected during the year, and the deferral and variance account balances approved for disposition by the OEB on December 8, 2022 as part of the Corporation's 2023 rate application for rates effective January 1, 2023. This rate expires December 31, 2024.

4. Regulatory balances (continued):

(c) Deferred income taxes to be paid to customers:

An offset to deferred income tax assets relating to the regulated business has been recorded in the accounts as a regulatory debit balance. As deferred income tax assets are realized, the asset for deferred income taxes to be collected from customers will be settled through OEB approved rates.

(d) Post-employment benefits deferral:

This regulatory balance accumulates the actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments. The balance arising during the year ended December 31, 2023 is primarily related to the actuarial gain recorded. No disposition is currently planned as the balance is derived mainly from actuarial valuation changes and not monetary income or expense.

(e) Regulatory accrued interest:

Interest is earned or charged on regulatory balances at OEB prescribed rates and are recorded to the related regulatory account.

(In thousands of dollars)

5. Deferred contributions:

The continuity of deferred contributions is as follows:

	2023	2022
Deferred contributions, net, beginning of year	$ 43,215	$ 42,190
Deferred contributions received	4,868	1,611
Deferred developer deposits received (refunded)	(1,225)	703
Deferred contributions recognized as revenue	(1,287)	(1,289)
Deferred contributions, net, end of year	45,571	43,215
Less current portion	721	1,074
Deferred contributions long-term portion	$ 44,850	$ 42,141

6. PILs:

The provision for PILs differs from the amount that would have been recorded using the combined Canadian federal and Ontario statutory income tax rates. The reconciliation between the statutory and effective tax rates is provided as follows:

	2023	2022
Income before PILs	$ 5,011	$ 273
Net movements in regulatory balances	1,082	4,952
Net income after net movements in regulatory balances, before PILs	$ 6,093	$ 5,225
Combined Canadian federal and Ontario statutory income tax rate	26.50%	26.50%
Expected provision for PILs at statutory tax rates	$ 1,614	$ 1,384
Property, plant and equipment	(1,284)	(763)
Post-employment non-pension benefits	(29)	10
Corporate minimum taxes	164	40
Other	(551)	(738)
Cost allocations	(79)	(29)
Recovery for PILs	$ (165)	$ (96)
Effective tax rates	(2.73%)	(1.86%)

(In thousands of dollars)

6. PILs (continued):

Income tax recovery as presented in the statement of comprehensive income is as follows:

	2023	2022
Current tax recovery:		
Current PILs charge	$ (165)	$ (96)
Deferred tax expense:		
Origination and reversal of temporary differences	2,385	1,232
Deferred taxes transferred to regulatory credits (note 4)	(2,385)	(1,232)
	–	–
Income tax recovery charged to net income for the year	$ (165)	$ (96)

As at December 31, 2023, the Corporation has recognized $5,419 in regulatory debit balances and a corresponding offset to deferred income tax liability (2022 – $3,034).

Deferred income tax liabilities:

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The net deferred income tax liabilities consist of the following:

	January 1, 2023	Recognized in regulatory balances	Recognized in OCI	December 31, 2023
Components of deferred income tax liabilities:				
PP&E	$ 6,898	$ 2,594	$ –	$ 9,492
Employee post-employment non-pension benefits	(2,274)	(692)	–	(2,966)
Other taxable temporary differences	(1,590)	483	–	(1,107)
Other taxable temporary differences - OCI	–	–	978	978
Total	$ 3,034	$ 2,385	$ 978	$ 6,397

(In thousands of dollars)

6. PILs (continued):

	January 1, 2022	Recognized in regulatory balances	Recognized in OCI	December 31, 2022
Components of deferred income tax liabilities:				
PP&E	$ 5,278	$ 1,620	$ –	$ 6,898
Employee post-employment non-pension benefits	(3,706)	1,432	–	(2,274)
Other taxable temporary differences	230	(1,820)	–	(1,590)
Other taxable temporary differences - OCI	–	–	–	–
Total	$ 1,802	$ 1,232	$ –	$ 3,034

7. Employee benefits:

(a) Pension costs

The Corporation's eligible employees participate in a defined benefit pension plan through OMERS. As at December 31, 2023, the OMERS plan was 97.0% funded (December 31, 2022 - 95.0%). OMERS has a strategy to return the plan to a fully funded position. The Corporation is not able to assess the implications, if any, of this strategy or of the withdrawal of other participating entities from the OMERS plan on its future contributions.

For the year ended December 31, 2023, the Corporation's contributions were $888 (2022 - $755). OMERS contribution rates were 9.0% up to the year's maximum pensionable earnings ("YMPE") and 14.6% over the YMPE for normal retirement age ("NRA") of 65 (2022 - 9.0% up to YMPE and 14.6% over YMPE for NRA of 65).

(b) Post-employment non-pension retirement benefits:

The Corporation provides post-employment benefits, principally supplemental health and dental coverage, for certain employees who retire from active employment.

(In thousands of dollars)

7. Employee benefits (continued):

(c) Accrued benefit obligations:

The Corporation measures its accrued benefit obligations as at December 31 of each year. The latest actuarial valuation was performed as at December 31, 2023.

Changes in post-employment non-pension retirement benefits:

	2023	2022
Post-employment non-pension retirement benefits, beginning of year	$ 8,580	$ 13,983
Net periodic benefits cost accrued	479	567
Benefits paid	(588)	(529)
Recognized loss (gain)	2,721	(5,441)
Post-employment non-pension retirement benefits, end of year	$ 11,192	$ 8,580

Components for net periodic benefit costs:

	2023	2022
Current service cost	$ 60	$ 153
Imputed interest cost	419	414
Net periodic benefit cost accrual for the year	$ 479	$ 567

Significant actuarial assumptions:

	2023	2022
Discount rate applied to the calculation of future benefits	4.65%	5.05%
Rate of compound compensation increase used in determining future costs	3.00%	3.00%

(In thousands of dollars)

7. Employee benefits (continued):

The current service cost for a year is equal to the actuarial present value of benefits attributed to employees' services rendered during the year. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

The actuarial valuation as at December 31, 2023 assumed health care costs would increase 7% (2022 - 7%) in the year following the valuation. This rate of increase is then reduced annually to a rate of 4% six years following the valuation (2022 - 4% after six years).

Dental costs are assumed to increase by 4% per year (2022 - 4%) beginning in the year following the valuation.

The dispensing fee portion of health care costs is limited to twelve dollars and ninety-nine cents; the current maximum allowed under the benefits plan.

(d) Sensitivity analysis:

The main actuarial assumptions underlying the valuation are as follows:

(i) Interest (discount) rate:

Assumed interest rates have a significant effect on the amounts reported for the total accrued benefit obligations and expense. A 1% change in assumed interest rates would have the following effects for 2023:

	Increase	Decrease
Accrued benefit obligations, December 31, 2023	$ (1,288)	$ 1,590

(In thousands of dollars)

7. Employee benefits (continued):

(ii) Health care cost trend rate:

The health care cost trend is estimated to increase at a declining rate from 7% to 4% over six years following the valuation. Dental costs are presumed to increase by 4%, beginning in the year following valuation. The approximate effect on the accrued benefit obligations if the health care cost trend rate assumption was increased or decreased by 1% is as follows:

	Increase	Decrease
Accrued benefit obligations, December 31, 2023	$ 1,012	$ (917)

8. Notes payable to shareholder:

The notes payable to the shareholder of $nil (2022 - $80,000). In 2023, the Corporation made interest payments of $1,537 (2022 - $2,633) to the shareholder. In June 2023, the notes payable to the shareholder wwere terminated in conjunction with the transfer of the term loans with Toronto-Dominion Commercial Bank from the parent company, Oshawa Power & Utilities Corporation, to the Corporation.

(In thousands of dollars)

9. Debt:

The Corporation's long-term debt consists of the following:

	2023	2022
Term Loan, ten year interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 3.649%	$ 60,000	$ –
Term Loan, ten year interest rate swap agreement, maturing December 21, 2030, converting the obligation to fixed rate of 2.227%	$ 20,000	$ –
Term Loan, five year four month interest rate swap agreement, maturing October 22, 2028, converting the obligation to fixed rate of 4.60%	$ 10,000	$ –
Total debt	$ 90,000	$ –
Less current portion	–	–
Total long term debt	$ 90,000	$ –

a) Long-term facilities:

As of December 31, 2023 the Corporation has entered into term loans totalling $90,000 with Toronto-Dominion Commercial Bank (the "Bank"). The debt is at a variable rate of banker's acceptance rate plus 0.80% and 0.55%.

Subject to payment of any unwinding costs or receipt of benefits for unwinding the interest rate swap agreements, the Corporation has the flexibility of pre-paying the debt at its option. The corporation has committed to an additional $10,000 credit facility not drawn upon as of December 31, 2023.

b) Short-term facilities:

The Corporation has an operating line of credit for a maximum amount of $20,000 to assist with its working capital requirements. As of December 31, 2023, there were no outstanding balances on this line of credit (2022 - nil).

Interest on short-term debt was nil (2022 - nil) at an effective interest rate of 2.47%.

(In thousands of dollars)

9. Debt (continued):

The above borrowing facilities are subject to financial tests and covenants. These financial covenants are tested quarterly. In addition, these facilities are subject to other customary covenants and events of default, including an event of cross-default (for non-paymnet of other debts of certain affiliates) of amounts in excess of $5,000. Non-compliance with such covenants could result in accelerated payments of amounts due under the facilities or their termination. The Corporation was in compliance with the above-mentioned covenants as at December 31, 2023.

10. Capital stock:

Capital stock consists of the following:

	2023	2022
Authorized:		
Unlimited common shares		
Issued:		
1,000 common shares	$ 23,064	$ 23,064

During the year ended December 31, 2023, the Corporation declared and paid a dividend on common shares aggregating $1,100 (2022 - $1,800).

(In thousands of dollars)

11. Related party transactions:

(a) The Corporation transacts business with the City and its affiliates in the normal course of business at commercial rates. These transactions are summarized below:

	2023	2022
Revenue:		
City facilities (from electricity distribution)	$ 3,598	$ 3,335
Streetlights (from electricity distribution)	1,221	1,325
	$ 4,819	$ 4,660
Expenses:		
100 Simcoe Street South Office	$ 351	$ 348
Property taxes	137	150
	$ 488	$ 498
Accounts receivable:		
Facilities and streetlights	$ 728	$ 350
	$ 728	$ 350

(In thousands of dollars)

11. Related party transactions (continued):

(b) During the year ended December 31, 2023, the Corporation has undertaken transactions with related parties, which are entities under common control. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions are summarized as follows:

	2023	2022
Oshawa PUC Energy Services Inc.:		
Sale of electricity, administration and maintenance services	$ 720	$ 713
Purchase of electricity	25	97
Oshawa PUC Services Inc.:		
Sale of administration and maintenance services	299	298
Purchase of services	72	47
2252112 Ontario Inc.:		
Sale of electricity, administration and maintenance services	87	46
Purchase of electricity	545	537
2825407 Ontario Inc.:		
Sale of administration	6	–
Purchase of services	108	–

The Corporation receives management support from its parent, Oshawa Power and Utilities Corporation. During the year, the Corporation paid $293 (2022 - $268) to its parent. As at December 31, 2023, the amounts payable to Oshawa Power and Utilities Corporation is $5,108 (2022 - $5,770).

As at December 31, 2023, the amounts owed to the Corporation from affiliated companies consist of $21 from Oshawa PUC Energy Services Inc. (2022 - $539), $175 from Oshawa PUC Services Inc. (2022 - $169), $0 from 2252112 Ontario Inc. (2022 - $26), $11 from 2825909 Ontario Inc. (2022 - $7) and $3 from 2825407 Ontario Inc. (2022 - $0).

(In thousands of dollars)

12. Leases (continued):

The Corporation leases its premises under a lease with the City. The Corporation's lease expires November 30, 2026.

Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate of 4.06%.

Leases as lessee (IFRS 16):

(i) Right-of-use assets:

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as long term right-of-use lease assets on the balance sheet.

	Building	IT equipment	Total
Balance, December 31, 2022	429	6	435
Depreciation charge for the year	(401)	(6)	(407)
Additions	1,135	–	1,135
Balance, December 31, 2023	$ 1,163	$ –	$ 1,163

(ii) Amounts recognized in profit or loss:

	2023	2022
Interest on lease liabilities	$ 25	$ 18

(iii) Amounts recognized in statement of cash flows:

	2023	2022
Total cash outflow for leases	$ 389	$ 342

13. Commitments and contingencies:

(a) Insurance claims:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"), which was created on January 1, 1987. A reciprocal insurance exchange is an Ontario group formed for the purpose of exchanging reciprocal contracts of indemnity of inter-insurance with each other. MEARIE provides general liability insurance to its member utilities.

Insurance premiums charged to each Municipal Electrical Utility consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each electric utility's claims experience.

The Corporation refers any claims received to MEARIE under the provisions of this plan. No provision has been recorded in these financial statements in respect of these matters as the Corporation has not received any claim that is not adequately covered by its insurance.

(b) Income taxes:

The tax returns filed by the Corporation are subject to review and reassessment by the Ministry of Finance for a period of up to five years from the date of filing. Any reassessment may result in a revision to previously determined tax obligations.

(c) Energy Conservation Agreement:

On December 31, 2014, the Corporation entered into an Energy Conservation Agreement ("ECA") with the IESO for the period from January 1, 2015 to December 31, 2020 to deliver Energy Conservation and Demand Management ("CDM") programs. The agreement provided terms under which the Corporation may engage the IESO to design and pay for province-wide CDM programs in support of the Corporation meeting its CDM targets. As a result of a revocation of the CDM programs in March 2019 by the Minister of Energy, Northern Development and Mines, the IESO has provided the Corporation with notice that the IESO has terminated the ECA effective June 20, 2019, with further wind down activities to be completed by August 31, 2022. The Corporation continues to wind down activities and is subject to audit post completion of programs.

13. Commitments and contingencies (continued):

Subject to the terms of the agreement, all IESO CDM program costs were to be paid by the IESO. The Corporation effectively acted as a delivery agent for those programs and was entitled to receive all of its estimated administration costs associated with each program. Any administration costs incurred by the Corporation in excess of the pre-approved estimate would not be recoverable. All other program costs incurred by the Corporation (such as customer incentives and goods and services delivered under the programs) were recoverable from the IESO on an invoiced basis in accordance with the agreement.

Under the terms of the Energy Conservation Agreement with the IESO, income incentives were available in the event that the Corporation outperformed its expected target. Alternatively, financial penalties are possible if the Corporation did not meet minimum requirements as outlined in the Energy Conservation Agreement with the IESO. The Corporation estimates it has met its obligations as outlined in the Energy Conservation Agreement with the IESO and has not recorded a provision in these consolidated financial statements for neither financial incentives nor penalties in respect of these matters. The Corporation is subject to an audit on its compliance with the agreement.

(d) Security with IESO:

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of default based on their expected activity in the market. The IESO could draw on this security if the Corporation fails to make the payment required on a default notice issued by the IESO. An irrevocable standby letter of credit in the amount of $7,000 was issued in October 2012, and renewed in October 2014, in favour of the IESO as collateral support for energy amounts as determined by and payable to the IESO.

14. Fair values of financial instruments:

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the nature of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(In thousands of dollars)

14. Fair values of financial instruments (continued):

- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2023 and 2022, the Corporation did not have transfers between levels.

The carrying values of cash, restricted cash, accounts receivable, accounts payable for power - IESO, current customer advance payments, and accounts payable and accrued liabilities approximate their fair values due to the short period to maturity of these financial instruments.

The Corporation has designated its financial instruments as follows:

		2023		2022	
	Level	Carrying value	Fair value	Carrying value	Fair value
Non-current financial assets:					
Unrealized gain on interest Rate swaps	2	$ 3,691	$ 3,691	$ –	$ –
Non-current financial liabilities:					
Customer advance deposits	1	$ 1,750	$ 1,750	$ 1,977	$ 1,977
Long-term debt	3	90,000	86,941	–	–
Notes payable to shareholder	3	–	–	80,000	80,000

The Corporation has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies. Considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Corporation could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments as well as related interest rate risk, credit risk and liquidity risk are described below.

Long-term debt:

The fair value of the Corporation's long-term debt is estimated using present value techniques based on borrowing rates at year-end for debt with similar terms and maturities. Long-term debt is shown net of unamortized debt issue costs.

Notes payable to shareholder:

The fair value of the notes payable to shareholder is indeterminable.

(In thousands of dollars)

14. Fair values of financial instruments (continued):

(a) Credit risk:

Certain of the Corporation's financial assets are exposed to credit risk.

Cash consists of deposits with major commercial banks.

The Corporation, in the normal course of business, is exposed to credit risk from its customers. These accounts receivable are subject to normal industry credit risks. The Corporation records an estimate provision for expected credit losses. The Corporation also has insurance in support of certain receivables.

Management considers current economic and credit conditions in revising the estimates and judgments used in preparation of the ECL provision on its accounts receivable balances. The Corporation applies provision rates based on recent and changing trends to customer aging balances, customer collection patterns and risk of customer default and has recorded an ECL allowance of $1,979 (2022 - $1,452) to account for these anticipated risks.

Accounts receivable consists of the following:

	2023	2022
Receivables from customers	$ 13,394	$ 10,092
Receivables from other trade and projects	2,834	1,018
	16,228	11,110
Less ECL	1,979	1,452
Total accounts receivable	$ 14,249	$ 9,658

Credit risk associated with accounts receivable is as follows:

	2023	2022
Outstanding for not more than 30 days	$ 13,432	$ 9,146
Outstanding for more than 30 days and not more than 90 days	1,480	1,064
Outstanding for more than 90 days	1,316	900
	16,228	11,110
Less ECL	1,979	1,452
Total accounts receivable	$ 14,249	$ 9,658

14. Fair values of financial instruments (continued):

The Corporation is also exposed to credit risk from the potential default of any of its counterparties on its interest rate swap agreements. The Corporation mitigates this credit risk by dealing with counterparties who are major financial institutions and which the Corporation anticipates will satisfy their obligations under the contracts. During the year, the Corporation incurred bad debt expense of $1,120 (2022 - $420) which is included in operations, maintenance, and administrative expense.

(b) Interest rate risk:

The Corporation enters into interest rate swaps in order to reduce the impact of fluctuating interest rates on its long-term debt. These swap agreements require the periodic exchange of payments without the exchange of the notional principal amount on which the payments are based. The Corporation does not enter into derivatives for speculative purposes. The fair value of the interest rate swap agreements represents an approximation of the amounts the Corporation would have paid to or received from the counterparty to unwind its positions as at year-end.

The Corporation estimates the unrealized gain on interest rate swaps to be $3,691 as at December 31, 2023. These contracts are designated as hedges, and therefore this gain has been included in OCI. This gain/loss is not expected to affect income as management intends to hold the interest rate swap contracts to maturity.

As at December 31, 2023, the Corporation had three interest rate swap agreements in place with notional amounts of $10,000 (2022 - $nil), $60,000 (2022 - $60,000) and $20,000 (2022 - $20,000) whereby the Corporation pays fixed rates of interest of 4.60%, 3.649% and 2.227% respectively. The swaps are being used to hedge the exposure to changes in the interest rate of its long-term debt, which is at a variable rate of banker's acceptance rate plus 0.80% and 0.55%.

(In thousands of dollars)

14. Fair values of financial instruments (continued):

(c) Liquidity risk:

The Corporation monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest expense. The Corporation monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

	Due within 1 year	Due between 1 and 5 years	Due past 5 years	Total
Accounts payable for power - IESO	$ 10,500	$ –	$ –	$ 10,500
Accounts payable and accrued liabilities	11,739	–	–	11,739
Asset retirement obligation	–	917	–	917
Due to affiliates	4,898	–	–	4,898
Customer advance payments	512	–	–	512
Deferred Developer deposits	721	1,879	–	2,600
Lease liability (inclusive of interest)	327	627	–	954
Interest rate swap	3,095	12,379	891	16,365
Long-term debt	–	70,000	20,000	90,000
Customer advance deposits	1,085	1,750	–	2,835

(In thousands of dollars)

15. Collateral:

As part of its electricity purchase agreement with the IESO, an irrevocable standby letter of credit in the amount of $7,000 was issued in October 2012, and renewed in October 2014, in favour of the IESO, as collateral support for energy amounts as determined by and payable to the IESO.

As part of the amended lease dated June 30, 2023 an irrevocable standby letter of credit in the amount of $500 was issued in favour of the City as collateral support to fund the cost of demolition if not undertaken by the Corporation.

16. Capital management:

The Corporation defines capital as shareholder's equity. The Corporation's objectives when managing capital are to ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans; maintain financial capacity and access to capital to support future development of the business while taking into consideration current and future industry, market and economic risks and conditions; and utilize short-term funding sources to manage its working capital requirements.

17. Revenue:

Sale of electrical energy and distribution revenue consists of the following:

	2023	2022
Sale of electrical energy	$ 134,200	$ 135,920
Distribution revenue	29,026	27,226
Total electrical energy and distribution revenue	$ 163,226	$ 163,146
Residential rate classes	$ 88,723	$ 89,244
Commercial rate classes	73,388	72,501
Street lighting	1,115	1,401
Total electrical energy and distribution revenue	$ 163,226	$ 163,146

(In thousands of dollars)

18. Operations, maintenance and administration:

Operations, maintenance and administrative expense consists of the following:

		2023		2022
Salaries/benefits/payroll	$	6,368	$	6,234
External services		3,449		3,358
Repairs and maintenance		518		403
Communications, postage and printing		909		875
Vehicle expenses		529		534
Expected credit losses		1,120		420
Administrative charges		472		429
Utilities, insurance, rent and municipal taxes		595		563
OEB regulatory fee, license and permits		605		592
Other		1,087		798
Total operations, maintenance and administrative	$	15,652	$	14,206